

K# 2589

# AGREEMENT

*Between*

**ASARCO Incorporated  
Ray Complex, Hayden Smelter**

*And*

**United Steelworkers of America  
LOCAL 886**

**International Brotherhood of  
Electrical Workers  
LOCAL 518**

*Effective  
July 1, 2001*

*through*

*June 30, 2004*

155 pages

# AGREEMENT

*Between*

ASARCO Incorporated  
Ray Complex, Hayden Smelter

*And*

United Steelworkers of America  
LOCAL 886

*Effective*  
*July 1, 2001*

*through*

*June 30, 2004*

# CONTRACT INDEX

Agreement, Tenure of.....	1
Arbitration, Grievance - Article X .....	17
Arbitrator, Selection of .....	19
Bargaining Agent .....	1
Bargaining Unit .....	1
Bereavement Pay - Article XX .....	34
Bidding Procedure - Article VIII .....	15
Checkoff, Payroll Deduction - Article IV .....	3
Cost of Living - Article XXIV .....	36
Death in Family - Article XX .....	34
Discipline - Article IX .....	16
Discrimination - Article II .....	2
Dues, Deduction of .....	3
Duration of Agreement - Article III .....	2
Employee, Probationary .....	13
Extended Shifts - Article VI .....	9
Grievance Procedure - Article X	
Arbitration .....	19
Committee .....	18
Grievance Process .....	17
Time Limits .....	17
Holidays - Article XVIII	
Holidays .....	32
Pay and Rules .....	32
Insurance & Benefits - Article XXV .....	36
Insurance, Dependents - Article XXV .....	46
Job Posting - Article VIII .....	15
Job Retention - Article VIII .....	12
Jury Duty - Article XIX .....	33
Layoff, Advance Notice and Provisions .....	12
Leave of Absence, Union Meeting - Article XII .....	21

Leave of Absence, Union Office - Article XII .....	21
Licenses and Certification .....	8
Life Insurances - Article XXV .....	54
Lines of Progression	
Acid Plant .....	75
Anode Casting .....	74
Converters .....	73
Flash Furnace .....	72
Mechanical Maintenance .....	78
Miscellaneous .....	76
Sampling .....	71
Unloading and Cottrell .....	70
Yard .....	77
Lunches - Article V .....	7
Overtime Provisions - Article V .....	4
Equal Distribution .....	6
Pay	
Callouts .....	5
Holiday Premium .....	32
Mark-up .....	5
Report .....	6
Showup .....	5
Political Leave - Article XIV .....	22
Posting New Jobs or Job Vacancies .....	15
Preamble .....	1
Ratification .....	67
Recognition - Article I .....	1
Reduction in Operations .....	13
Safety and Health - Article XV .....	22
Scheduled Shifts .....	4
Security and Severance Plan - Article XXVI .....	56

Seniority - Article VIII	
Department .....	13
General .....	12
List .....	12
Loss of .....	14
Plant .....	12
Probationary Employees .....	13
Retention .....	12
Supervisor, Relief .....	16
Separability - Article XXI .....	34
Shift Differentials - Article XXIII .....	35
Showup Pay - Article V .....	5
Solicitation - Article II .....	2
Strike - Article XI .....	20
Technological Change - Article XIII .....	21
Tool Replacement and Protective Clothing - Art. VII..	11
Transfer Rights - Article XXVIII .....	59
Union Activity, Restrictions .....	3
Union Leave - Article XXI .....	21
Union Membership, Voluntary .....	3
Vacations - Article XVI .....	27
Bonus .....	31
Pro-Rata .....	28
Wages - Article XXIII .....	35
Wages, Holiday .....	33
Wages, Overtime .....	4
Wages, Rate Schedule .....	68
Wages, Shift Differential .....	35
Work by Supervisors - Article I .....	2
Working Hours and Overtime - Article V .....	4
Working Schedules .....	4

## **PREAMBLE**

THIS AGREEMENT dated this 1ST DAY OF JULY 2001, between ASARCO Incorporated, HAYDEN PLANT, party of the first part, hereinafter called the "Company", and the UNITED STEELWORKERS OF AMERICA, for and in behalf of its Local 886, party of the second part, hereinafter called the "Union".

## **WITNESSETH**

The Company hereby recognizes the United Steelworkers of America, AFL-CIO, as the exclusive bargaining representative of the employees of the Company at the Hayden Plant.

The Company will accept and honor properly executed United Steelworkers of America check off authorization forms at the Hayden Plant.

In order to define the rights of the Company's employees and the Union so as to provide peaceful adjustment of differences which may arise from time to time between the Company and its employees, or the Union, the parties hereto agree as follows:

## **ARTICLE I**

---

### **RECOGNITION**

The Company recognizes the Union as the sole bargaining agent for its production and maintenance employees at the Hayden Smelter in accordance with the Certification of the National Labor Relations Board of June 12, 1951, Case No. 21-RC-1941. Hourly-paid employee(s) assigned to the Warehouse will be recognized as being a part of the bargaining unit but such assignment(s), if any, shall be at the discretion of the Company. Executive, administrative, technical employees, supervisors, assistant supervisors, engineers,

metallurgists, chemists, assayers, secretaries, clerks, accountants, auditors, watchmen, electricians, electrician helpers and electrician apprentices, powerhouse operators, powerhouse utilitymen and powerhouse helpers are excluded from representation by the Union.

No supervisory employee shall perform regular production or maintenance work covered by the occupations under this Agreement, but such regular work shall, however, exclude by definition, supervisory duties associated with: (1) instruction or demonstration; (2) emergencies; (3) assurance of continuity of operations when qualified employees are not available. It is understood the above exclusions do not relieve the company of the responsibility of making a reasonable effort to obtain qualified employees nor are they intended to deprive a bargaining unit employee of work.

## **ARTICLE II**

---

### **DISCRIMINATION AND SOLICITATION**

- A. The Company and the Union agree that there shall be no discrimination because of race, color, creed, age, sex, national origin, disability or status as a disabled veteran or veteran of the Vietnam Era.
- B. No solicitation for membership shall be carried on by the Union or its representatives on Company time or during the time such representatives are paid wages for performing Company work.

## **ARTICLE III**

---

### **DURATION OF AGREEMENT**

This Agreement shall become effective 7:00 a.m. JULY 1, 2001, and shall remain in effect through JUNE 30, 2004.

The parties specifically waive any rights which either may have to bargain with the other during the life of this Agreement on any matter pertaining to rates of pay, hours of employment or other conditions of employment whether or not covered by this Agreement. For any job classification or work for which a wage scale is not provided herein, the starting rate will be established by the Company. Within a thirty (30)-day period, the wage rates for same shall be agreed upon by the Company and the Union and shall be retroactive to the starting date of the new classification. If no agreement can be reached, the rate proposed by the Company will be used, but the Union shall have the right to make the new classification subject to the grievance procedure.

Should cancellation or any change or changes in this Agreement be desired by either party hereto, written notice must be given to the other party not less than sixty (60) days and not more than ninety (90) days in advance of the date of expiration. In the event of notice not being given as indicated, the Agreement shall automatically be renewed from year to year subject to the foregoing terms and conditions.

## **ARTICLE IV**

---

### **CHECKOFF CLAUSE**

The Company will check off monthly dues, assessments, and initiation fees each as designated by the International Treasurer of the Union, as membership dues in the Union, on the basis of individually signed voluntary check-off authorization cards as set forth in the form furnished by the Union.



# ARTICLE V

---

## WORKING HOURS AND OVERTIME

- A. Excluding lunch periods, eight (8) hours continuous work shall constitute a basic day, and for all continuous hours in excess of eight (8) hours at rate and one-half will be paid. Regular shift changes for operating crews shall not occur more often than once each two (2)-week period except for emergencies involving a change in the operation or for special shifts on a pre-arranged schedule, and in such event straight time will be paid. It is understood that when regularly scheduled shifts are consecutive, the second scheduled shift will be at time and one half. Present practice in regards to meals will be maintained.
- B. Normal production shifts at the Hayden Plant are 7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m., and 11:00 p.m. to 7:00 a.m. However, scheduling of shifts starting and finishing times shall be at the discretion of management and can be changed as required to suit operations.
- C. All time worked in excess of forty (40) hours in any workweek, for which overtime has not already been paid, shall be paid for at rate and one-half. No employee shall be required to work over sixteen (16) hours in a twenty-four (24)-hour period. In the event an employee works six (6) days in the regularly scheduled workweek, such employee shall receive time and one-half for the sixth day, and in the event the employee works seven (7) days in the regularly scheduled workweek, he shall receive double the regular rate of pay for such seventh day; provided that work of four (4) or more hours duration performed on any shift that is not a continuation of a

previous shift shall constitute a working day for the purpose only of determining a sixth or seventh day; but this shall not result in any premium pyramid of whatever type.

- D. Working schedules will be posted at two (2)-week intervals so that employees are provided with sixty-four (64) hours advance notice before the schedule takes effect. The preceding sentence shall not apply to the labor classification nor to successful bidders when moving to another job, and they will therefore be excluded from advance notice. No employee who may work on his day or days off shall be required to lay off during the same workweek except in cases where the regularly assigned job is not available due to curtailment of operations or emergencies created by acts of God, wrecks, failure of electrical power or acts beyond human control. However, in the event that an employee is called out on his regular shift on one of his scheduled days off, this will not be construed as a guarantee of any number of shifts in a workweek. If, subject to prior events, an employee is laid off an offsetting day, he shall be paid for eight (8) hours at the applicable straight time rate of pay.
- E. Any employee called to work other than his regular shift shall be paid at rate and one-half with a minimum payment equivalent to five (5) hours work at his straight time rate. An employee is considered called out when summoned after he has passed out of the plant gate or customary exit of the plant. This paragraph shall not apply to overtime work consecutive to the regular shift. Employees scheduled off for vacation or on an authorized leave of absence shall not be called out for work.
- F. Any employee reporting for work on a regularly assigned shift shall receive not less than six (6) hours pay at his

straight time rate, except where employee has been notified not to report at least four (4) hours before commencement of such shift.

- G. When an employee at the beginning of or during a shift is called off his regularly assigned job to do other work for a period of one (1) hour or more, he shall be paid for the entire shift at his straight time rate or the rate for such work, whichever is higher.
- H. There shall be no pyramiding of earnings resulting from various types of overtime.
- I. The Company agrees to the principle of equal distribution of overtime and shall make a reasonable effort to do so. Each department in operations and each maintenance area will maintain a posted overtime record that will include consideration of refusals and phone calls the same as acceptance of overtime. Maintenance area overtime will be distributed among the designated crafts assigned within the area that the overtime occurs. Overtime beyond the scheduled shift will be offered to the employee(s) performing the work; then to the employee(s) holding a bid in the area; then to employee(s) assigned to the area; on that shift, in the designated craft. In the event no qualified volunteer is available in the area, the Company may require the least senior qualified person holding a bid in that area to fill the overtime. It is understood it will be the responsibility of the men/women at the top of the list to make themselves available for such overtime.
- J. When an employee is injured on the job and is forced to lay off the remainder of this shift, he shall receive his full eight (8) hours of pay for that shift. The Company shall notify the Union of any such injury to an employee.

If an employee becomes ill on the job, he will be permitted to report to the Plant Clinic for treatment without penalty of lost time from work.

- K. Employees shall be considered to be regularly assigned after sixty (60) consecutive days on any given job, except when assigned for relief duty in the case of vacations, sickness or accident. During periods of plant shutdown, for reasons other than maintenance, rates of pay shall be those for the work performed without regard for the employees' regular classifications. Available work is to be distributed according to seniority and/or capability.
- L. A lunch shall be furnished by the Company for any employee required to work overtime consecutive to the completion of his regular shift for an anticipated period of four (4) hours or more. An employee anticipated to work a period of three (3) hours or more on a call out shall receive a lunch. Employees qualifying for a lunch under this provision may request it after the completion of working two (2) hours of the overtime assignment.

In the event a lunch is waived, an employee shall receive \$10.00 pay in lieu of lunch.

- M. The filled out working schedule for all employees shall be posted sixty-four (64) hours preceding the next regular scheduled shift period. Employees shift schedules will not be changed without giving forty (40) hours advance notice except in cases of emergency and in those cases time and one-half will be paid for the first shift.

When a craft opening occurs within one of the areas of the mechanical department, the opening will be filled by allowing the senior employee within the needed craft to fill the vacancy provided he has expressed the desire to do so. In the event that none of the employees within

the craft desire to move, or the move is day-to-day, then the vacancy will be filled by assigning the least senior craftsman from one of the other areas.

Employees (craftsmen) in the maintenance department who are assigned to permanent vacancies within the department will have the option to return to their former position, if a new employee in the same classification is hired within one hundred fifty (150) working days from their assignment date.

- N. A leave of absence for compelling personal reasons may be granted for a period not exceeding fifteen (15) days upon written application of the employee and approval of the Company. Extensions may be granted upon written application and approval of the Company. Said leave of absence shall not be approved for the purpose of taking other employment, self-employment or otherwise.
- O. In the event that the Company requires an employee to obtain a certification, license, or special training to perform his job, the Company will pay the cost of obtaining same including any lost time involved. Any renewal expense(s) shall likewise be paid by the Company.
- P. As far as operations permit, seniority will be considered in providing for preference of days off with review being made semi-annually.
- Q. Any employee in the Yard Department qualified to perform a job that is open for an overtime assignment will be considered in allocation of overtime. Personnel who have refused a job in the line of promotion will not be eligible for overtime on any higher rated pay classification unless other qualified personnel are not available.

- R. When an employee in the Yard Department becomes qualified at a higher classification, such employee shall be adjusted on the overtime board for that classification to the highest overtime hours in such classification.
- S. If an employee is required by the Company to travel out of the community for treatment of an industrial injury and such travel is the sole reason for the employee to not work a day he would normally have worked, the Company will reimburse the employee for the day, providing, however, the day lost is not compensable under the State Compensation Fund.
- T. Overtime beyond the scheduled shift will be on a voluntary basis. However, in the event that no qualified volunteer is available, the Company may require the least senior, qualified, available person to fill the overtime. No employee(s) shall be forced to work overtime beyond their scheduled shift two consecutive days.

## **ARTICLE VI**

---

### **EXTENDED SHIFT SCHEDULES**

- A. Implementation: If the Company and Union decides an extended shift schedule is consistent with the needs of the operation for a particular department or natural work group, the Company will provide the Union with a copy of the proposed work schedule. The proposed schedule will be adopted if the Union President and the Company agree the schedule will be placed in effect for six (6) months. The extended shift schedule will continue until either the Company determines it is no longer consistent with the needs of the operation or the Union gives sixty (60) days notice to cancel, in which case the Company will re-institute the 8-hour shift.

- B. Overtime: Employees working extended shifts will be paid overtime if the employee works beyond his/her regular scheduled shift in one workday or more than forty (40) hours in one workweek. Employees will not be required to work more than sixteen (16) hours in one workday except in case of emergency. The Company will seek volunteers for overtime before requiring employees to stay. Employees working twelve (12)-hour shifts will not be required to work overtime on consecutive days unless no other qualified employee is available on that shift. Employees working overtime after a twelve (12)-hour shift will be provided an overtime lunch within approximately the first two (2) hours of overtime; any pay in lieu of lunch will be in accordance with the Labor Agreement.
- C. Shift Differential: Employees working the second shift will be paid the night shift differential. Overtime shift differentials will be paid according to the current Labor Agreement.
- D. Vacation: Vacation pay is based upon total vacation hours eligibility. Vacation days taken during the year will be deducted from the employee's total vacation hours eligibility based upon the number of hours the employee was scheduled to work during the absence. Residual vacation hours equal to half or more of a full shift may be taken as a vacation day with the residual hours paid, or the employee may elect to be paid for those hours in lieu of time off. Residual hours of less than half a full shift may not be taken as a vacation day and the employee will be paid for the unused vacation hours. Scheduling of vacations is subject to the approval of the Company.
- E. Holidays: Employees working on a holiday will be paid according to the current Labor Agreement. Employees

will be paid eight (8) hours straight time pay for holidays not worked, subject to the terms and conditions of the current Labor Agreement.

- F. **Jury Duty:** The employee will receive full shift pay for regularly scheduled workdays, subject to the terms and conditions of the current Labor Agreement.
- G. **Bereavement Pay:** Current Labor Agreement language will apply; employees will receive full shift pay.
- H. **On-the-job Injuries:** Employees will receive compensation for lost time according to the current Labor Agreement, based on the hours they otherwise were scheduled and would have worked.

Accommodations for employees needing time off or shift trades will be handled according to current practice, keeping in mind that the additional days off inherent in extended shifts should allow employees more than ample time to take care of most personal business.

The Company will have final approval of all schedules and reserves the right to discontinue the extended shift schedules if the needs of the operation so require. In addition, reference to ten or twelve-hour shifts in this or any other proposal regarding extended shifts is not intended to preclude scheduling for shifts of any length up to twelve hours in accordance with the Labor Agreement.

## **ARTICLE VII**

---

### **TOOL REPLACEMENT AND PROTECTIVE CLOTHING**

Where work duties require employees to have tools of their own, such tools will be replaced by the Company without



advance of his regular quitting time in lieu thereof. Such work in advance of his regular starting time shall not be construed to be a "call out", provided the employee is notified to report early by the end of his prior shift.

## **5. Emergency Meals**

When an employee works emergency overtime consecutive with his regular work shift, the Company will provide a meal approximately two (2) hours after the beginning of the overtime period. An employee who works a double shift, that is, an additional eight (8) hours consecutive with his regular work shift, and who makes a request at the beginning of the second shift will be provided a second meal approximately six (6) hours after the beginning of the overtime period.

When an employee is called out for emergency work, the Company will provide a meal approximately four (4) hours after the beginning of the call-out period.

In the event an employee elects to waive his emergency lunch(meal and time), he will receive \$10.00 additional compensation.

## **6. Unscheduled Overtime**

The procedure for the equitable distribution of unscheduled overtime is set forth in a letter of administration on overtime and overtime distribution.

### ***E. SHIFT PREMIUM PAY***

Employees working shifts other than the day shift will receive the following compensation in addition to their regular

- B. The Company shall maintain an up-to-date seniority list for each department. Seniority lists shall be posted quarterly in each department, which shall include an established line of promotion in each such department. Such lists and lines of promotion as posted shall be accepted as correct by the employees and the Company unless an employee shall within sixty (60) days of posting of said lists make written protest to the Company stating in what respects his seniority is incorrect and asking that it be rectified.
- C. New employees shall be considered probationary employees until such employees have worked a period covering ninety (90) calendar days. Termination of their employment during their probationary period shall not be subject to grievance procedure. After probationary employees have worked a period covering thirty (30) days, their names shall be entered on the seniority list as of date hired. An extension may be granted if requested by Company and mutually agreed to by both parties.
- D. No employee may hold departmental seniority in more than one department at the same time except that he may retain the right to return to his former department in the event that he is curtailed from his present department due to a reduction in force, provided:
1. He has worked less time in his present department than in his former department.
  2. His seniority, when leaving his former department, was greater than that of the newest employee in the department when he returns.

An employee returned to his former department through curtailment shall be placed on the department seniority list in accordance with the

amount of seniority he had at the time he left the department, but not in a job in the line of promotion higher than that he held at the time he left.

3. When a new job is created, the first employee working on the particular job has the right to return to his former department within thirty (30) days without loss of his previous departmental seniority. Upon exercising such right, the employee will return to his former department with no loss of seniority and will displace the employee (if any) who had replaced him. An employee so displaced will return to his former department in a similar manner.

E. An employee shall lose his seniority standing when:

1. He quits voluntarily.
2. He is discharged for cause.
3. He fails to notify the Company within seven (7) days after receipt of notice or return of notice, if not delivered to the employee at his last known address, whether or not he intends to return to work.
4. He fails to report for work four (4) consecutive days without advising the Company the reason for his absence.
5. The seniority of an employee who has completed his probationary period shall terminate upon the expiration of a period of twenty-four (24) months since such employee last worked for the Company; and seniority shall terminate for an employee, who has three (3) or more years of service as of his last day worked for the Company, upon the expiration of thirty-six (36) months of such absence.

- F. When vacancies occur or new jobs are created, the Company will post notice on the bulletin board within fifteen (15) days for five (5) consecutive days, Saturday, Sunday, and holidays excluded open for all employees to bid. Bidding preference for the Drott Operator job classification will be given to Yard employees, first. Employees wishing to apply for such jobs shall make written application to the Employment Office on forms provided for that purpose.

When more than one (1) employee is transferred into a department by bids accepted on the same date, they shall be placed in department seniority with relationship to each other according to their plant seniority.

Bids will not be posted for jobs in labor classifications.

In the event an employee refuses promotion within a department according to the established line of promotion for that department, then the employee who accepts the promotion shall be placed ahead of the employee refusing the promotion in departmental seniority rating for the purpose of further advancement in the line of promotion.

- G. Employees absent because of vacation, sickness (S&A), or approved leave of absence (s), shall have the opportunity to bid vacancies which occurred in their absence within sixty (60) calendar days from the date of posting of the bid for said vacancy. A bid file will be maintained for review by the returning employee. All bids must be submitted no later than five (5) working days commencing on their date of return to active work unless, through no fault of the employee, prior bid information is not available. In such an event, the five (5) day bid period will be extended on a day for day basis until the bid information is available to the employee.

- H. When in the sole judgment of the Company's physician employees are unable to continue their regular duties, they may be transferred to other jobs more suitable for their capabilities without consideration as to seniority, as and when vacancies occur.
- I. An employee assigned as a supervisor shall lose one day of department seniority for each eight-hour shift or fraction thereof after accumulating (75) seventy-five days as a supervisor per contract year. The Company shall provide quarterly Day Pay Supervisor Status reports.
- J. Employees curtailed to the Yard Department will have ninety (90) days to return without loss of seniority.
- K. Employees will not be assigned to operation of equipment that is to be used by the contractors in the performance of maintenance contract work with the exception of converter aisle cranes that are to be operated solely by Hayden Plant personnel.

## ARTICLE IX

---

### DISCIPLINE

Employees may be disciplined, demoted, suspended, or discharged by the Company's supervisory employees authorized to do so only for cause, provided such action taken by the Company is subject to grievance procedure as to the facts.

In the event an employee is officially warned, disciplinarily laid off or suspended, the Company will contact the nearest available Union representative at work, unless the employee requests not to have Union representation. Any disciplinary action deemed necessary, after thorough investigation of the facts will be given promptly.

It is agreed that when it shall become necessary to discharge an employee, the supervisor shall contact the nearest available Union representative at work, and in the presence of the employee and said Union representative explain the reason for such discharge. If circumstances are such that the employee is not at work, a copy of the discharge slip shall be presented to the Union.

## **ARTICLE X**

---

### **GRIEVANCE PROCEDURE**

#### **A. Grievance Process**

**Step 1:** Any employee or group of employees having a grievance or complaint relating to the application or interpretation of this Agreement shall present the matter in writing, signed by the aggrieved employee or employees and his grievance committeeman, to his or their supervisor accompanied by not more than two (2) Union representatives, provided however that any employee, or group of employees, shall have the right at any time to present a grievance to the Company and have such grievance adjusted without intervention of the Union so long as such adjustment is not inconsistent with the terms of this contract, and provided further that a Union representative has been given an opportunity to be present at the adjustment. The supervisor shall answer the grievance promptly in writing, but in any event within forty-eight (48) hours of the presentation, Saturday, Sunday, or holiday excepted. Any incident must be presented in this first step within ten (10) days of its occurrence to be subject to a grievance.

**Step 2:** Any grievance not settled in Step 1 must be presented to the functional manager within seventy-two (72) hours of the supervisor's answer, Saturday, Sunday, or holiday excepted, or it shall be considered settled on the basis of the supervisor's answer.

The Grievance Committee, which shall consist of not more than four (4) employees selected by the Union, and one witness or shop steward, will meet with the functional manager, and the supervisor involved if his presence is deemed necessary, within two (2) days, Saturday, Sunday, or holiday excepted, of presentation of this grievance in Step 2. After hearing the grievance, the functional manager shall have forty-eight (48) hours, Saturday, Sunday, or holidays excepted, to indicate his answer in the proper place on the form and return it to the Union.

**Step 3:** The written grievance must be presented for Step 3 within five (5) days of an answer in Step 2, Saturday, Sunday, or holiday excepted, or it shall be considered settled on the basis of that answer. The Grievance Committee, along with a shop steward or a witness, will meet with the designated representatives of management at the Hayden Plant within three (3) days, Saturday, Sunday, or holiday excepted, to consider such grievance. The Grievance Committee may be accompanied by a representative of the International Union, or two (2) representatives if necessary. The Company must notify the Union of its decision in writing within ten (10) days, Saturday, Sunday, or holiday excepted, following this meeting. Grievance meetings through the third step shall be conducted during working hours on the day shift unless otherwise agreed to.

- B. Referral to Arbitration: If a satisfactory adjustment of the grievance shall not be reached in the manner prescribed above, the Union may refer the matter to arbitration within fifteen (15) days after receiving the decision of the Company. If the Union does not invoke arbitration within fifteen (15) days, the grievance shall be deemed settled.
- C. Arbitrability: If a question of the arbitrability of an issue is raised by the Company, it shall be heard and decided by an Arbitrator, provided that if the Arbitrator decides the issue is arbitrable, he shall subsequently hear the issue on its merits.
- D. Selection of Arbitrator: Within ten (10) normal business days from receipt of notice to arbitration in "B" above, an arbitrator must be selected and a request for a hearing date shall be sent to the Arbitrator.

An Arbitrator will be selected from the following panel. Selection will be on a case by case rotation basis, starting with the first case being handled by the first arbitrator listed below.

Michael Rappaport  
Richard Bloch  
Joseph F. Gentile  
C. Chester Brisco

In arbitration cases involving discharge, such case will be heard by the next available Arbitrator in rotation that has a date available within forty-five (45) days following the appeal to Arbitration (e.g., the third arbitrator in rotation has a date within forty-five (45) days, he would be assigned the case.) Such Arbitrator would be directed to render a decision within thirty (30) days following the hearing. If no Arbitrator has such an available date,



the parties will select an Ad Hoc Arbitrator to hear the case in accordance with this provision.

- E. Arbitrator's Authority: The Arbitrator shall not have the authority to alter the terms of this Agreement and shall only have the power to interpret and render decision based upon the provisions of this Agreement.
- F. Binding Arbitration and Expense: The decision of the Arbitrator shall be final and binding upon the Company, the Union and the employee. The expense of the Arbitrator shall be borne equally by the Company and the Union.
- G. No Breach of Agreement: No incident leading to a grievance nor the settlement of a grievance as herein provided shall be a breach of this Agreement.
- H. Prior Discipline: For the purpose of administering the disciplinary policy of the Company during the term of this Agreement, a prior incident of discipline, which occurred more than twenty-four (24) months immediately prior to the instant disciplinary action, shall not be considered by the Company in determining the extent to which subject employee will be disciplined for the current incident.

## ARTICLE XI

---

### STRIKE

The Company and the Union agree to cooperate in a prompt and orderly disposal of all grievances in an amicable manner. No strike, work stoppage nor threat of the same, and no lockout shall take place while any grievance is being presented, investigated, considered or arbitrated. If a strike, work stoppage or lockout shall take place in violation of this

Agreement, any investigation, presentations, consideration or arbitration of any such pending grievance will be automatically suspended until such strike, work stoppage or lockout is ended and the employees have returned to work.

## **ARTICLE XII**

---

### **UNION WORK**

Whenever a member of the Union is elected to or selected for a full-time Union position, the Company shall grant such employee a leave of absence for the term of said office not to exceed two (2) years without loss of seniority, provided, however, that said employee makes application to the Company for reinstatement within thirty (30) days after leaving the employment of the Union, and provided further that not more than two (2) such employees shall be absent at the same time. Leaves will be extended for an additional two (2)-year period, if so requested.

Leaves of absence not to exceed sixty (60) working days in any contract year shall be granted to not more than two (2) employees at any one time, for the purpose of attending Union conventions or other Union meetings.

## **ARTICLE XIII**

---

### **TECHNOLOGICAL CHANGE**

Prior to the implementation of a major technological change in equipment (not just larger, or improved, or modified equipment) that may reasonably be expected to result in substantial impact on job assignments, the Company will notify the Union that such technological change will occur and identify the job classifications that may be affected.

## **ARTICLE XIV**

---

### **POLITICAL LEAVE**

The Company will grant to an employee a leave of absence for a period not to exceed three (3) years for full-time elected or appointed Federal, State, County or City political office. This leave will be limited to one (1) employee at any given time. Upon the termination of this political office, the employee shall be reinstated to his previously held job with accrued seniority rights unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; such as a reduction in force requiring his layoff had he been working; provided, however, that such employee is physically able to perform the duties of such job and that he make application to the Company for reinstatement within thirty (30) days after said termination. No benefits of employment, except seniority, shall accrue during the period of absence.

## **ARTICLE XV**

---

### **SAFETY AND HEALTH**

The Company shall make reasonable provisions for the safety and health of its employees during the hours of their employment, and agrees to abide by and maintain standards of sanitation, safety and health in accordance with Federal and State laws and regulations.

The Company and the Union will cooperate in achieving the objective of eliminating recognized hazards related to sanitation, safety and health; the Company will insist that all employees comply with all Safety and Health rules.

Recognizing that continuing on-the-job safety and health, as well as the elimination of recognized hazards is the concern

of all employees, the following program shall be adopted by the parties:

**Facilities and Training:** Adequate First Aid facilities and access to emergency First Aid treatment shall be provided by the Company. A registered nurse or qualified trained personnel shall be available to administer First Aid to employees on all shifts. All new employees shall be given a thorough indoctrination in the applicable Safety and Health program, and shall be provided with a listing of the members of the Safety and Health Committee. The Union shall be responsible for providing the Company with a current listing of Union representatives on the committee. All employees will be instructed on the safety and health aspects of their particular job.

**New Equipment and Processes:** When the Company introduces new equipment or processes, all employees involved shall be instructed and trained in its safe operation. Where the Company uses or introduces chemicals, solvents, and gases, which may be or become a recognized hazard in working areas, the Company will advise affected employees and the Union departmental Safety and Health Representative of precautions which have been taken and to be observed for their protection. On request of the Committee's Union Representatives, the Company will provide written assurance that such steps have been taken.

**Record keeping and Review:** Exposure Measurements: The Company will keep such records of exposure as may be required by the U.S. Department of Labor. On request of the Committee's Union Representatives, the Company will review the results of exposure measurements with them.

**Accident Frequency/Severity:** A summary report of accident frequency and severity shall be prepared quarterly and forwarded to the Local Union and the International Union

Safety and Health Department. Such summary report may be reviewed upon request of either party at the Safety and Health Committee meetings.

**Committee Members and Meetings:** A Safety and Health Representative and an alternate in each Department of the Plant, to a maximum of three Representatives and three alternates if the number of Departments exceeds three, shall be designated by the Union. These Representatives or an alternate, if available, in the absence of the Representatives shall meet with the Company Representatives monthly, as a "Safety and Health Committee" (hereinafter called the "Committee"), to review and discuss Safety and Health matters. Without detracting from the existing rights and obligations of the parties, alcoholism or drug abuse may also be discussed with the objective of rehabilitating the afflicted employee. These meetings shall be held during the day-shift working hours. Representatives or alternates at work shall not suffer loss of time for attending. A special meeting may be called by either party on reasonable notice to all representatives, as a specific Safety and Health situation requires. Representatives or alternates at work shall not suffer loss of time for attending.

**Reports of Meetings:** A written report of regular and special meetings, including subjects discussed, recommendations made and action taken shall be prepared by a Company Representative and a copy sent to each Representative within five (5) working days following the meeting. If the Union Committee Representatives take exception to the minutes, such exceptions may be submitted in writing to the company within five (5) days after receipt of the minutes.

A special meeting may be called by either party on reasonable notice to all Representatives, as a specific Safety and Health situation requires. Representatives or alternates at work shall not suffer loss of time for attending.

**Complaints And/Or Disputes:** An employee who sincerely believes and alleges that an unsafe condition exists on a job beyond normal hazards inherent in the operation, such that he is in danger of injury, may on request, be promptly assigned to another job if available, at the rate of pay on that job, or sent home.

The employee may request that the Department Safety and Health Representative, or alternate in the absence of the Representative, be called to confer with the Company regarding the alleged unsafe condition. The determination whether to assign the employee to another job, if available, or to send him home shall be made by the Company. After assuring itself that the job is, in fact, safe, should the Company wish to assign another employee to the job, he or she will be advised of the dispute before assignment.

If the job is found to be unsafe at the next scheduled safety meeting provided for herein, to which the affected employee will be given the opportunity to attend if deemed necessary by the Committee, he/she will suffer no loss in pay for the time lost. If there is no agreement as a result of such meeting, the matter will be resolved by an arbitrator to be selected in the manner set forth in Article X.

**Inspection:** The respective Departmental Representative - Departments in excess of three shall be assigned among the three Representatives - shall accompany and advise the Plant Safety Engineer during his regular monthly, scheduled inspection of the Plant. The Union may designate an alternate to participate, if available, in the absence of any such Representative. These Departmental Representatives may also accompany the Company's Central Safety Engineer on an inspection trip during his periodic visit to the Plant. If at work, the designated Union member of the Committee or its alternate in absence of the member, shall be afforded the

opportunity to accompany government inspectors, State and Federal.

**Plant Visits:** If desired, International Union Safety and Health Representatives may visit the Plant, if a particular situation warrants; reasonable notice to, and permission of, the Plant Manager shall first be obtained. In the event of a fatality of an employee, such permission shall not be unreasonably withheld.

**Accident Investigations:** Management will promptly notify the Union Safety and Health Representative on shift (or in his absence, the alternate designated for such purpose) of the occurrence of an accident involving substantial injury to Life and Limb. On request to investigate the scene of the accident, permission to do so will not be unreasonably withheld. The Representative or alternate on shift shall not suffer loss of time due to such investigation.

**Pay on Day Of Injury:** An employee injured in an industrial accident who loses time on the day of accident and/or the day following the accident as a result of obtaining Company directed medical treatment shall be compensated for such lost time occurring during the scheduled hours of work on the day(s) such treatment is received.

**Showering:** The Company may require certain employees to shower immediately before or after the completion of their workday. In such cases, fifteen (15) minutes will be allotted for showering and related activities when required before the end of the workday or if so designated by the Company, where required after the completion of the employee's workday.

# ARTICLE XVI

---

## VACATIONS

Vacations at the Hayden Plant shall be effective on the following plans, and the Company shall endeavor to give employees notice thirty (30) days in advance of starting vacation:

- A. Each eligible employee who has worked 1,200 hours during the year preceding his anniversary date of each year shall receive a vacation of seven (7) days with six (6) days pay; each eligible employee who has been continuously on the payroll for the three (3)- year period preceding his anniversary date and who has worked 1,200 hours in the year preceding such anniversary date shall receive a vacation of fourteen (14) days with twelve (12) days pay; each eligible employee who has been continuously on the payroll for the ten (10)-year period preceding his anniversary date shall receive a vacation of twenty-one (21) days with eighteen (18) days pay; each eligible employee who has been continuously on the payroll for the twenty (20)-year preceding his anniversary date shall receive a vacation of twenty-eight (28) days with twenty-four (24) days pay; each eligible employee who has been continuously on the payroll for the twenty-five (25)-year period preceding his anniversary date shall receive a vacation of thirty-five (35) days with thirty (30) days pay. Employees shall be paid for vacation pay upon termination of employment for any reason, providing they have worked the required number of hours.

In the event a five (5)-day workweek is in effect, vacation pay will be at the rate of five (5) days for one (1) year of service, ten (10) days after three(3) years of service, fifteen (15) days after ten (10) years of service, twenty (20) days



after seventeen (17) years of service; and twenty-five (25) days after twenty-five(25) years of service; provided that the change in workweek schedule has been made no less than ninety (90) days prior to the time the vacation is taken.

First year employee becomes eligible for his vacation upon reaching his first anniversary date, and having worked 1,200 hours prior to that date.

An employee upon completing his third (3rd) year of service will become eligible for the second week of his vacation, provided he is otherwise eligible under the terms of this Article.

An employee upon completing his tenth (10th) year of service will become eligible for the third (3rd) week of his vacation, provided he is otherwise eligible under the terms of this Article.

An employee upon completing his seventeenth (17th) year of service will become eligible for the fourth week of his vacation, provided he is otherwise eligible under the terms of this Article.

An employee upon completing his twenty-fifth (25th) year of service will become eligible for the fifth week of his vacation, provided he is otherwise eligible under the terms of this Article.

An employee terminated for any reason other than quit or discharge who is not eligible for vacation shall receive a prorata payment based on percent of service to date of termination.

- B. The criterion of 1,200 hours worked for vacation qualification may include:

1. Time lost on regularly scheduled hours basis because of accidents compensable under a state Workers Comprehensive law, jury duty and temporary layoffs (excluding layoffs due to a reduction of the work force) will be considered as time worked in order to qualify for vacation.
2. Time lost on a regularly scheduled hours basis due to periods of sickness or injury not in excess of a total of two hundred forty (240) hours certified to by a Company physician shall be considered as time worked in order to qualify for vacation.
3. Time lost on a regularly scheduled hours basis because of absence due to Union business not in excess of a total of two hundred forty (240) hours shall be considered as time worked in order to qualify for vacation.

For those employees being retired, or entering the armed services of the United States, a prorating of vacation shall be allowed to include that period for which a vacation allowance has not been paid.

- C. Vacations must be taken in the year given or may be deemed forfeited. Vacation dates shall be subject to the approval of the Company and, where the operation of any department is shut down for a period of time, employees affected thereby and eligible may be given their vacation during such shutdown period. It will be permissible for employees to split their vacation as many as three times provided such periods are in full weeks, or multiples of full weeks. Seniority will entitle an employee of his choice of vacation time for one and only one of these periods; the remaining periods to be scheduled around the first choice of less senior employees.

- D. Vacation pay shall be based upon the straight time (no overtime) hourly rate of pay averaged for pay period immediately preceding the time vacation is taken, and the premium for afternoon and night-shift work shall be excluded in the determination thereof. However, where vacation is taken in July, the hourly rate of pay for vacation in July shall be based on the straight time (no overtime) comparable average hourly rate of pay in effect as of July 1, and the premium for afternoon and nightshift work shall be excluded in the determination thereof. Vacation pay shall be paid upon the payday next preceding in the commencement of the vacation or in the normal course, whichever the employee designates, and shall be subject to the usual deduction.
- E. Employees will be allowed to sell back to the Company all but two (2) weeks of the vacation to which they are entitled in a vacation year and receive pay in lieu of vacation. Employees may not sell back more than one week in any calendar quarter. No more than one year's earned vacation may be taken or sold in any employment year.
- F. Employees will be permitted to take up to two weeks of their allotted annual vacation in increments of one day or more, subject to the current local agreements and practices concerning scheduling of incremental vacation days.
- G. Effective January 1, 1976, in addition to the regular vacation pay to which an employee is entitled, there shall be paid a vacation bonus in accordance with the following schedule:

<u>Vacation Week Commencing In</u>	<u>Bonus</u>
April, May, October, December	\$35.00 Per Week
January, February, March, November	\$50.00 Per Week
June, July, August, September	No Bonus

The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences, that is, the first day thereof the employee would otherwise have been scheduled to work. For example, an employee whose two consecutive week vacation begins on September 24, 1984, would not be entitled to a vacation bonus for the first vacation week, but would be entitled to a \$35 bonus for the second vacation week, which begins October 1, 1984. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds. The \$20.00 bonus shall be paid for vacation weeks paid in lieu of time off.

The vacation bonus is an add on to, and not part of, an employee's regular vacation pay.

## **ARTICLE XVII**

### **MANNER OF GIVING NOTICE**

Any notice required in this Agreement must be given by certified mail within the period specified for the type of notice given and addressed to the other party as follows: Notice to the Company shall be addressed to: P. O. Box 8, Hayden, Arizona 85235, and notice to the Union shall be addressed to United Steelworkers of America, Local 886, P.O. Box 850, Winkelman, AZ 85292. Either party may by like written notice change the address to which certified mail notice shall be given.

# ARTICLE XVIII

---

## HOLIDAYS

A. The Company shall recognize the following days as holidays: January 1st, Memorial Day, July 4th, Labor Day, Thanksgiving Day, December 24th (Christmas Eve), Christmas Day, and December 31 (New Year's Eve). An additional paid holiday shall fall on the individual employee's birthday, as noted on his employment record. Employees who work on any of said holidays will be paid the applicable straight time or overtime rate with shift premium if due, plus a bonus equal to one and one-half (1 1/2) times the straight time rate without shift premium for eight (8) hours of the time actually worked, whichever is greater. Employees covered by this Agreement shall be paid for the same named holidays when not worked subject to the following terms and conditions

1. An employee must have been on the Company's payroll continuously for two (2) months prior to the holiday in question.
2. An employee must work two (2) straight-time shifts during the workweek in which the holiday occurs, provided, however, if an employee is absent on such day because of personal sickness, verified by the Company doctor, sickness within his family of such nature as to necessitate the employee attending to the sickness, death in the family, or certified Union business, and reports it promptly to his supervisor, such day will be counted as worked.
3. An employee who is qualified in accordance with subparagraphs 1 and 2 shall receive one (1) shift pay

at regular straight time rate exclusive of shift differential.

4. A holiday not worked shall not be considered as time worked in the computation of weekly overtime.
5. If an employee is scheduled and assigned to work on a holiday and does not work, he shall receive no pay.
6. Should a holiday occur during an employee's vacation, the employee may elect pay in lieu of the holiday or an additional day off with pay, the scheduling of which must be approved by management.
7. The payment of holiday bonus for holiday work shall not be used to offset the overtime within the workweek.
8. Ordinarily an employee shall not work on his birthday.
9. In the event an employee's birthday falls on a named holiday, the employee shall be granted another regular scheduled work day as his/her holiday. The employee will give a minimum of one week's notice of the day desired as his/her birthday holiday.

## ARTICLE XVIX

---

### JURY DUTY

Upon certification of the court clerk, an employee who is subpoenaed for jury duty shall receive the straight time pay they would have received when such jury duty falls on their regularly scheduled work days. A day summoned for jury duty will be paid whether or not the employee actually serves on a jury.

## ARTICLE XX

---

### BEREAVEMENT PAY

In the event of a death in an employee's family, three days time off may be taken at any time between the date of occurrence of the death and the day following the funeral. However, at least two such days must be consecutive. If any of the days off fall on a day on which the employee is scheduled to work, he shall receive eight (8) hours straight time pay at his job rate for such day. The family is defined as Father, Mother, Stepfather, Stepmother, Mother-in-Law, Father-in-Law, Son-in-Law, Daughter-in-Law, Grandmother, Grandfather, Husband, Wife, Sister, Brother, Stepbrother, Step-Sister, Child, Step-Child, and Grandchild.

Employees will be allowed one day off with straight time pay for the death of a Sister-in-Law, Brother-in-Law, Grandmother-in-Law or Grandfather-in-Law.

## ARTICLE XXI

---

### SEPARABILITY

If any provision of this contract shall be in conflict with or in violation of any applicable State or Federal law, such provisions shall be inoperative and of no effect, but shall not affect the remaining provisions hereof. If there be a dispute between the parties as to the legality of any such provision, its enforcement shall be held in abeyance pending final determination of the matter by the courts.

# ARTICLE XXII

---

## MILITARY ENCAMPMENT

An employee required to attend encampment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between his government pay (excluding travel, subsistence or quarters allowances, if any) for a period not to exceed two (2) weeks in any calendar year and the amount of straight time pay, based on eight (8) hours per day – forty (40) hours per week, he would have received had he worked instead of attending encampment. The straight time pay calculations shall exclude cost-of-living allowances, shift differentials and any other premium pay, but shall include pay for any holiday (covered by the Collective Bargaining Agreement applicable to the employee) which is observed during the period of encampment for which the military encampment allowance is calculated. If the encampment exceeds two (2) weeks in any calendar year, only the first two (2) weeks the employee would have worked but for the encampment shall be considered for the purpose of calculating the allowance.

# ARTICLE XXIII

---

## WAGES

- A. The rates of pay as shown on Schedule A, which shall become effective as indicated on the Schedule, and which shall be in effect for the life of this Agreement, are hereto attached and made an integral part of this Agreement.
- B. A premium of thirty (30) cents per hour will be paid for work performed on the afternoon shift, forty-five (45) cents per hour will be paid for work performed on the night shift.



## **ARTICLE XXIV**

---

### **COST OF LIVING**

The cost of living clause will remain suspended for the term of this Agreement.

## **ARTICLE XXV**

---

### **HEALTH, WELFARE, VISION CARE, PRESCRIPTION DRUG, DENTAL, LIFE INSURANCE AND FSA**

The Company will provide Health-Welfare, Vision Care Prescription Drug, Dental, Life Insurance and Flexible Spending Account as shown in this Article which includes revisions in the Plans in accordance with the Memorandum of Settlement dated June 30, 2001. These Plans of benefit will continue in effect until June 30, 2004. However, the benefits provided under "A" and "C" of this Article will be discontinued or reduced to the extent that like benefits are provided under Federal or State Law for which the Company and/or employee may be taxed. Benefits provided under "A" and "C" of this Article shall not be paid if the disease, sickness or injury is compensable under any Workers' Compensation Law or occupational disease law (except Weekly Sickness and Accident Benefits as specified), or for any injury arising out of or during the course of any employment for wage or profit. For details, refer to the Summary Plan Description(s).

#### ***A. HEALTH AND WELFARE BENEFITS.***

Subject to rules and regulations of the Plan not in conflict with this Agreement between the Company and the Union, the benefits shall be provided as outlined below

1. Accidental Death or Dismemberment Benefits (For Employees Only). Death or dismemberment by accidental means due to non-occupational causes, will provide:
  - a). \$29,500 for loss of life.
  - b). \$14,750 for loss of 1 hand or 1 foot or the sight of 1 eye.
  - c). \$29,500 for loss of 2 or more such members.
2. Weekly Sickness and Accident Benefits (For Employees Only).
  - a). \$220.00 per week (\$230.00 per week effective 1/1/2002, \$240 per week effective 1/1/2003, \$250 per week effective 1/1/2004) for 52 weeks for absences caused by non-occupational accidents or sickness; benefits to start the 1st day in case of accidents or hospitalized sickness or outpatient surgery and 6th day in case of unhospitalized sickness.
  - b). Worker's Compensation Supplement

For any week that temporary and total disability benefits are payable under State Worker's Compensation law, such payments shall be supplemented by an amount equal to the difference (if any) between such weekly payment and the Non-Occupational Weekly Sickness and Accident Benefit, provided that the Company recognizes the disability causing the absence to be work incurred and the disability commenced on or after January 1, 1981. There is no change in the terms or conditions of the Non-Occupational Weekly Sickness and Accident

Benefit Plan, including the duration of such benefits, except to provide a Worker's Compensation Supplement.

- c). Benefits will terminate at commencement of benefit payments under the Pension or Permanent and Total Disability Benefit Plans.

### 3. Preferred Provider Network

The Company has contracted with a Preferred Provider Organization to provide a network of health care providers to Asarco employees. Employees will retain the option of continuing to secure care on a fee-for-service basis or utilizing the Network. For in-network Medical Expenses, the employee Co-Payment shall be 5%. For out-of-network expenses the employee Co-payment will be 20%. In all other respects, in-Network coverage will be identical to fee-for-service coverage.

### 4. Managed Care

The Company has contracted with a Managed Care Organization to implement a pre-certification and utilization review program. This program includes the following:

Pre-Certification for all In-Patient Courses of Treatment;

Continuing Stay Review for all Confinements; and

Case Management including alternative setting reviews and Discharge Planning.

Employees securing In-Patient care on a fee-for-service basis (outside of Network) will be required to contact the Managed Care Organization prior to admission. Claims for In-Patient treatment submitted by employees who have failed to contact the Managed Care Organization will be subject to a per confinement deductible of \$250. Employees obtaining In-Patient care from Network providers need not contact the Managed Care Organization. This program shall include an appeals procedure.

## 5. Comprehensive Plan

Effective January 1, 2002, all plan participants will be covered by the Comprehensive Plan with the following features:

<u>Design</u>	<u>Comprehensive</u>
Deductibles	\$200 per individual; \$400 per family
Co-payments	95%/5% (in-network) 80%/20% (out-of-network)
Annual Stop Loss	\$2,000 aggregate
Lifetime Maximum	\$1,000,000
Contributions	\$5/month Employee \$10/month Employee + one dependent \$15/month Employee + family

Enrollment shall be on an annual basis. However, changes in family status during an enrollment year shall be accommodated with proper notification and documentation. Changes must be submitted within 31 days of the qualifying event. Active full-time employees who elect to opt out of coverage will receive \$25 per month. An employee's decision to opt out is subject to proof of alternative coverage.

Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

All benefits shall be payable on a usual and customary fee basis subject to the annual deductible and co-payment.

#### Definition of Usual and Customary Fees:

- a). Usual — The “usual” fee that is charged for a given service, by an individual physician to the majority of his private patients.
- b). Customary — A fee is “customary” when it is within the range of usual fees charged by physicians of similar training and experience, for the same service within the same specific and limited geographical area (socioeconomic area of a metropolitan area of a county).
- c). Reasonable — A fee is “reasonable” when it meets the above two criteria, or in the opinion of the responsible medical association’s review committee, is justifiable, considering the special circumstances of the particular case in question.

#### 6. Preventive Care

Preventive care will be offered under the current Health Plan and shall include the following services, without having to pay a deductible. Benefits are paid according to a schedule. Coverage is as follows:

##### Benefit Schedule:

##### Physical Examinations:

Frequency of exams is based on age: \$150

People who are:

Age 61 and over are covered for an annual exam.

Between ages 41 and 60 are covered for an exam every two years.

Between ages 31 and 40 are covered for an exam every three years.

Age 30 and below are covered for an exam every four years.

Screening Exams - One Pap test annually: \$ 30

Sigmoidoscopy: \$225

Once every three years for people age 50 and over.

Mammogram: \$135

Annual for women age 50 and over and one mammogram every other year for women age 35 and over with a first degree relative with breast cancer.

Well Baby Care:

Birth (in the hospital after birth) \$ 90

2, 4, 6, or 8 weeks (per visit) \$ 80

4, 6, 9, 12, 15, 18 and 24 months (per visit)\$ 80

Immunizations: The plan pays scheduled benefits for immunizations as part of well-baby care for infants (EMMR, DPT, Oral Polio, etc.).

## 7. Plan Benefits

- a). Expenses incurred for kidney dialysis provided at home or in a kidney dialysis unit which is not

connected with a hospital will be covered to the same extent such services would be covered if the procedure was provided in a hospital.

- b). Expenses incurred for extraction of impacted teeth in the out-patient department of a hospital will be covered to the same extent such services would be covered if the extraction was performed as a hospital in-patient.
- c). Expenses incurred for surgery performed in an ambulatory surgical facility will be covered to the same extent such services would be covered if the surgery was performed as an in-patient in a hospital.

An ambulatory surgical facility is described as a legally constituted and operated ambulatory care health center (either part of a hospital or otherwise) with permanent plant, equipment and supplies not usually available in a physician's office for surgical or medical care not requiring in-patient confinement.

- d). Temporomandibular Joint Dysfunction (TMJ) services will be covered at 80%/20%. Services provided by an in-network physician will be covered at 95%.
- e). Skilled Nursing Coverage will be provided in a Skilled Nursing Facility. Details of this benefit are included in the Summary Plan Description.
- f). Benefits shall be provided for sterilizations, abortions and transplant procedures, including donor expenses not covered by other plans.

## 8. Limitations

### a). Alcoholism and Drug Addiction

Benefits under any provision of the Plan for treatments received in an accredited treatment center for alcoholism or drug addiction will be limited to two confinements of not more than 30 days each, unless the course of treatment requires additional days (to a maximum of 15 additional days) during a covered individual's lifetime.

### b). Chiropractors

#### Covered Visits

1. Initial consultation.
2. Maximum of 18 visits in any calendar year (excluding initial consultation).

#### X-Rays

Limited to three x-rays in any 90-day period.

### c). Psychiatric Treatments

#### Non-Hospitalized

Benefits paid on behalf of any covered individual under all provisions of the Plan shall be reimbursed on a 60%/40% Co-Payment basis.

#### Hospitalized

Benefits paid under any provision of the Plan for expenses incurred as the result of confinement in a hospital for psychiatric treatment shall be limited to two confinements of not more than



30 days each during a covered individual's lifetime.

## 9. Pensioners' Coverage

Employees who are under age 65 upon retirement date (early retirees) who retire under the comprehensive plan after January 1, 2002 will continue to be covered under the Plan for "active employees" until the employee qualifies for MEDICARE. The spouse of an employee who retires will continue to be covered under the Plan for "active employees" until the spouse qualifies for MEDICARE. Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

The spouse of an active employee who dies and who is eligible for a Spouse's Pension will continue to be covered for benefits under the Plan for "active employees" until the spouse qualifies for MEDICARE or remarries.

For purposes of qualifying for benefits under this provision, retirement will include employees receiving benefits under the Permanent and Total Disability Benefit Plan and the surviving spouses of such employees.

Coverage for employees retiring under early retirement provisions of the Pension Plan or those qualifying for Permanent and Total Disability Benefits will be extended to dependent children in addition to the employee's spouse. Dependent coverage for early retirees will be limited to existing eligible dependents on the effective date of retirement; and subsequently wed spouses and

natural children born of that marriage and grandchildren who become dependents of the retirees as the result of the death of both parents of the grandchildren.

## 10. Eligibility Requirements

The following eligibility requirements for the Plan of Health and Welfare Benefits shall apply:

- a) New employees shall become eligible on the 91st calendar day following date of their employment.

Coverage for employees and dependents hospitalized or under care for illness or injury on the effective date of coverage shall be extended to comply with the Health Insurance Portability and Accountability Act (HIPAA).

- b) Employees who are sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- c) Employees who are sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 36 months.
- d) Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave became effective. Employees on leave of absence for Union business shall remain eligible during the first twelve months of such leave of absence. If such leave of absence is extended by the Company such employees may

continue to be eligible, provided they pay the full cost of such coverage.

- e) In the event an employee is discharged by the Company and there is a dispute as to whether or not the discharge was justified, the Company shall continue the benefits under the Plan for such employee until the case is finally resolved, but not exceeding 90 days.
- f) In the event an employee stops work due to a strike, all benefits under the Plan, other than Weekly Sickness and Accident Benefits, shall continue for the duration of such strike, provided the employee shall pay the required premium during the strike. During the strike, Weekly Sickness and Accident Benefits shall not be continued but benefits thereunder will be payable if total disability commenced prior to the strike.
- g) The provisions of paragraphs a, b and c above, shall not apply in any case where this Agreement contains a specific provision covering the matter which is more favorable to the employee.

## 11. General Provisions

### a) Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Plan is as follows:

The employee's spouse and the following categories of unmarried children less than 19 years of age, provided such individuals are not employed by Asarco:

Category A — The employee's natural children.

Category B — The employee's legally adopted children (including a child living with the adopting parents during the period of probation) and those for whom the employee is legal guardian. All cases must be submitted to the Corporate office for approval.

Category C — Stepchildren (i.e., the natural children of the employee's spouse) residing in the employee's household and supported solely by the employee. All cases must be submitted to the Corporate office for approval.

Category D — Children for whom coverage is required under a Qualified Medical Child Support Order (QMCSO). All cases must be submitted to the Corporate office for approval.

The Plan shall also include employee's children 19 years of age or more but less than 25 years of age provided such child is unmarried, dependent upon the employee for support and maintenance and is attending an accredited school or university on a full-time basis. The employee must provide supporting documentation semi-annually.

Children in the above categories who are totally disabled are covered under the Plan, regardless of age, for as long as they are dependent upon the employee for support and maintenance provided they became totally disabled prior to age 19 and were eligible for coverage as a dependent child prior to attaining age 19. For purposes of qualifying as disabled, dependent children must be certified by the Asarco Corporate Medical Director, as suffering

from an injury or illness which prevents them from living independently from their parents and obtaining gainful employment. Coverage for disabled children will continue until both parents qualify for MEDICARE or otherwise lose coverage through the Asarco Health Plan.

Persons, other than those described in the foregoing, are not included as dependents. Changes must be submitted to the unit Human Resources office within 31 days of the qualifying event.

b) Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Health Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance plan or group pre-payment plan.

In the event a covered dependent under the Asarco Health Plan is, shall become, covered, or eligible for coverage, under any group insurance or prepayment plan, benefits under the Asarco Health Plan shall be secondary to the benefits provided or available under such other plan and aggregate benefits that would have been payable under both plans may not exceed benefits that would have been payable under the Asarco Health Plan.

This provision does not apply to benefits payable for the account of active employees eligible for Medicare when such active employees elect the Asarco Health Plan as primary payer of medical benefits for themselves including their covered dependents.

Expenses and benefits which are recovered by legal action or settlement are not covered under any provision of the Asarco Health Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Health Plan which is recovered by legal action or settlement.

Employees are required to notify Asarco promptly of the fact of such legal action, and of a judgment or settlement in favor of the employee (or covered dependent) and make available all information relevant to the administration of any provision of the Plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Health Plan benefits.

c) Benefit Booklets

Benefits and general items briefly outlined herein are described in more detail in the summary plan description distributed to employees. The benefit provided under the Plan will cease on the date that the employee leaves the service of the Company, except that benefits will be paid in connection with claims which were incurred prior to such date.

d) Audit of Hospitals Bills

Employees will be paid one-third (1/3) of any savings which results from their discovery and report of

hospital billing errors with a \$250.00 maximum payment to the employee per confinement. The only exceptions to this audit feature are bills for care received at a participating Preferred Provider hospital. Due to the discounted fee arrangement at Preferred Provider hospitals, employees will be unable to audit bills received from such providers.

## ***B. VISION CARE.***

Employees, early retirees and their eligible dependents shall be covered under the Asarco Health Plan. Details of the vision care benefits are included in the Summary Plan Description, a copy of which is provided to each employee.

Effective January 1, 2002, reimbursement for lenses under the vision care coverage will be increased \$25 in total for each two-year period under the plan.

## ***C. PRESCRIPTION DRUG CARD PLAN.***

Employees and early retirees who desire prescription drug coverage for themselves and/or their dependents shall have the option of participating in the Prescription Drug Program or to opt out. There will be an annual enrollment period during which employees will be given the opportunity to enroll in the Prescription Drug Card Program. If employees choose to opt out of the Drug Card Program, prescription drugs will not be recognized under the Health Plan, except for drugs which are dispensed in the hospital, while the plan participant or dependent is receiving emergency or in-patient treatment.

Employees and early retirees who enroll in the Prescription Drug Card Plan are subject to the following monthly contributions:

\$ 3/month per single employee  
\$7/month per employee with one dependent  
\$11/month per employee and family

Enrollment shall be on an annual basis. Changes in family status during the enrollment year shall be accommodated. Changes must be submitted within 31 days of the qualifying event.

Brand Name prescriptions filled at a participating retail pharmacy will be covered at 80%. Generic prescriptions filled at a participating pharmacy will be covered at 90%. Mail order prescriptions (maintenance drugs) will be paid at 100%. No deductibles or medical forms to file.

In all other respects, the terms of the Prescription Drug Card Program shall remain unchanged.

#### ***D. DENTAL BENEFITS.***

Subject to rules and regulations of the Plan, the benefits shall be provided for active full-time employees and their eligible dependents as outlined below.

##### **1. Usual and Customary Fee Coverage**

The Plan shall provide benefits on a usual and customary fee basis as follows:

- a) 100% of usual and customary charges for preventive services such as oral examinations, teeth cleaning and space maintainers for children under 19 years of age.
- b) 85% of usual and customary charges for most other dental procedures.
- c) 50% of usual and customary charges for bridgework and dentures.



- d) 50% of usual and customary charges for orthodontic diagnosis and treatment for children under 19 years of age (maximum lifetime benefit of \$650.00 per individual).
  - e) The maximum benefit for expenses incurred during any calendar year under "a", "b" and "c" above shall be \$1,000 per individual.
  - f) A deductible of \$15 per covered individual will be applied each calendar year.
2. Definition of Usual and Customary Fees
- a) Usual — The "usual" fee is that fee which the individual dentist or physician most frequently charges the majority of his private patients for a given service rendered or supply furnished.
  - b) Customary — A fee is "customary" when it is within the prevailing range of fees charged by dentists or physicians of similar training and experience, for the same service rendered or supply furnished within the same area (metropolitan area, county or such greater area as is necessary to obtain a representative cross-section of dentists' or physicians' fees).
  - c) Reasonable — A fee is "reasonable" when it meets the above two criteria or is justifiable, taking into consideration unusual circumstances or complications requiring additional time, skill and experience in connection with particular dental service or procedure in question.

### 3. Eligibility Requirements

The following eligibility requirements for the Dental Plan shall apply:

- a) New employees shall become eligible on the day following the completion of one year of Company service.
- b) Employees who become sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding six months.
- c) Employees who become sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- d) Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave of absence became effective. Employees on leave of absence for Union business shall remain eligible under the Plan for lesser of the duration of such leave or 12 months.

#### 4. General Provisions

##### a) Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Dental Plan is the same as the Health Plan.

##### b) Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Dental Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance or group pre-payment plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Dental Plan benefits.

Dental expenses which are recovered by legal action or settlement are not covered under any provision of the Asarco Dental Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Dental Plan which are recovered by legal action or settlement.

- c) Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefits provided under the Plan will cease on the date that the employee retires, dies, or otherwise terminates active employment with the Company.

#### ***E. LIFE INSURANCE BENEFITS.***

Subject to rules and regulations of the Plan, the benefits shall be provided as outlined below.

##### **1. Active Employees**

Effective July, 1, 2001, \$29,500 of coverage shall be provided for each active employee after 91 days of employment.

The Plan shall include the following provisions:

- a). Waiver of premiums in event of disability at any age.

interfere with the rights of such employees to join a Union. The Company and the Union agree that there shall be no discrimination because of race, color, creed, age, sex, national origin, disability or status as a disabled veteran or veteran of the Vietnam Era. Nothing in the Agreement shall be construed to mean that membership in a Union is a requirement of employment. The Company will give to all new employees within the bargaining unit a copy of this Agreement and a Company Safety Rule Book. The names of new employees within the bargaining unit will be furnished to the Union steward designated by the Union. No solicitation for membership shall be carried on by the Union or its representatives on Company time, or during the time such representatives are paid wages for performing Company work.

- B. The Company, by written authorization of each employee first obtained, shall deduct from the first day of each month or in the event there is no pay due the first pay day, the second pay of each month of each employee so authorizing the same, such employees' Union dues for the preceding month, initiation or reinstatement fees and any uniform assessments levied by the International Union of local Union and promptly remit same to the properly authorized and designated representatives of the Union. The authorization shall read as follows:

"I hereby assign and direct to local Union 518, I.B.E.W. of Miami, Arizona, and authorize and direct you to deduct from my wages, my regular monthly dues in the sum of \$\_\_\_\_\_ per month, and to remit the amounts to the Financial Secretary of the Union. In the event the amounts of my dues for the current month exceeds the wages due me, you are authorized and directed to make

## **PREAMBLE**

THIS AGREEMENT dated this 1st day of July 2001, between ASARCO Incorporated, Hayden Plant, party of the first part, hereinafter called the "Company", and Local Union No. 518, International Brotherhood of Electrical Workers, affiliated with the American Federation of Labor - Congress of Industrial Organizations, party of the second part, hereinafter called the "Union".

## **WITNESSETH**

In order to define the rights of the Company's employees and the Union so as to provide peaceful adjustment of differences which may arise from time to time between the Company and its employees, or the Union, the parties hereto agree as follows:

## **ARTICLE I**

---

### **RECOGNITION**

The Company recognizes the Union as the sole bargaining agent for all of its employees in the Electrical Department and Powerhouse at the Hayden Smelter in accordance with the Certification of the National Labor Relations Board of August 15, 1949, Case No. 21-RC-818 and of September 4, 1953, Case No. 21-RC-3069. All other employees are excluded from representation by the Union.

## **ARTICLE II**

---

### **DISCRIMINATION AND SOLICITATION**

- A. It is agreed that when the Company hires an employee, not a member of the Union, it will not in any way

Probationary Employees .....	12
Retention .....	11
Separability, Provision for - Article XXII .....	33
Solicitation - Article II .....	1
Technological Change - Article XIX .....	32
Tool Replacement and Protective Clothing - Art. VI .....	10
Transfer Rights - Article XXVI .....	57
Union Activity, Restrictions - Article II .....	1
Union Membership, Voluntary - Article II .....	1
Vacations - Article XII .....	24
Bonus .....	28
Prorata .....	26
Wages, Holiday – Article XI .....	22
Wages, Overtime - Article IV .....	4
Wages, Rates .....	66
Wages, Shift Differential – Article XVI .....	31
Work by Supervisors – Article IV .....	7
Work Stoppage - Article XXI .....	33

Job Posting - Article VII .....	12
Job Retention – Article VII .....	11
Jury Duty - Article XIII .....	29
Layoff, Advance Notice – Article VII .....	13
Layoff, Provisions – Article VII .....	13
Leave of Absence, Union Office – Article XVIII .....	31
Leaves of Absence, Union Meetings – Article XVIII .....	31
Licenses and Certification .....	7
Life Insurances - Article XXIII .....	52
Lunches – Article IV .....	6
Membership, Union - Article II .....	1
Membership, Union Assignment Cards - Article II .....	2
Military Reserve Duty - Article XV .....	30
Non-Discrimination - Article II .....	2
Notification, Lay-Offs – Article VII .....	14
Overtime Provisions - Article IV .....	4
Pay, Call-Outs - Article IV .....	5
Pay, Holiday Premium – Article XI .....	23
Pay, Report - Article IV .....	5
Posting New Jobs or Vacancies – Article VII .....	12
Pre-certification Program – Article IV .....	7
Ratification .....	65
Recognition - Article I .....	1
Reduction In Operations – Article VII .....	13
Safety and Health - Article X .....	17
Security and Severance Plan - Article XXIV .....	53
Seniority - Article VII .....	11
Department .....	11
General .....	11
List .....	12
Loss Of .....	13
Plant .....	11

# CONTRACT INDEX

401K Plan - Article XXV .....	56
Agreement, Scope of - Article XX .....	32
Agreement, Tenure of.....	1
Arbitration, Grievance – Article IX .....	14
Arbitrator, Selection of – Article IX.....	16
Bargaining Agent .....	1
Bargaining Unit .....	1
Bereavement Pay - Article XIV .....	29
Bidding Procedure – Article VII.....	12
Check-Off, Payroll Deduction - Article II .....	2
Cost of Living - Article XVII .....	31
Death in Family – Article XIV .....	29
Discipline - Article VIII .....	13
Discrimination - Article II .....	1
Dues, Deduction of - Article II .....	2
Duration of Agreement - Article III .....	3
Employee, Probationary – Article VII .....	12
Extended Shifts – Article V .....	8
Grievances - Article IX	
Arbitration of.....	16
Committee .....	15
Procedure.....	14-17
Time Limits .....	15
Holidays - Article XI .....	22
Pay and Rules .....	22
Insurance & Benefits - Article XXIII .....	34-41
Insurance, Dependents - Article XXIII .....	44
Job Classifications	
Hayden Electrical.....	69
O <sub>2</sub> Plant Power House, Water Treatment Plant .....	68



# AGREEMENT

*Between*

**ASARCO Incorporated  
Ray Complex, Hayden Smelter**

*And*

**International Brotherhood of  
Electrical Workers  
LOCAL 518**

*Effective  
July 1, 2001*

*through*

*June 30, 2004*

# MECHANICAL MAINTENANCE

Pay Grade

15	Head Mason	Lead Burner	Head Carpenter	
14		Truck Shop Mechanic		Multi-Skilled 3 14 + \$1.00
14		Machinist		
14		Boilermaker		
14		Blacksmith		
14	Mason	Pipefitter	Carpenter / Painter	Multi-Skilled 2 14 + \$1.00
10		Hammerman		
9		Painter		
9		Shop Helper 1st Class		
5		Helper		
5		Oilor		
Varies		Apprentice		

## Pay Grade

## YARD

12	Heavy Equipment Operator/ Gradall
11	Track Excavator
11	Crane Operator
11	Loader Operator
11	Track Loader Operator
8	Backhoe Operator
7/8	Yard Motorman
7	15-Ton Forklift
6	Street Sweeper
6	10-Ton Forklift
5	Truck Driver
5	Forklift Operator
5	Light Loader Operator
4	Switchman
4	Jackhammerman
3	Janitor
2	Track Walker
2	Truck Helper
1	Track and Yard Laborer

## MISCELLANEOUS

Pay Grade

7-9

Plant Services Helper

5

Respirator Room  
Hi-Vac Operator

5

Helper (Laborer)

## ACID PLANT

Pay Grade

13

Operator

8

Helper

5

Loader

4

Pugnill Operator

## ANODE CASTING

Pay Grade

12

Furnaceman

11

Wheelman

11

15-Ton Crane-man

5

Ladle Liner/  
Furnace Helper

5

Lugman

1

Laborer

## CONVERTERS

Pay Grade

11

Repairman

11

Skinner

11

Craneman

7

Puncher

1

Laborer

# FLASH FURNACE

Pay Grade

12

Feedman

11

Loader Operator

10

Slog Hauler Operator

9

Baghouse Operator

9

Crusher Mill Operator

7

First Helper

Truck Operator

6

Second Helper

4

Third Helper

Mudmill Operator



## SAMPLING

Pay Grade

11

Head Bucker

9

Bucker 1st Class

5

Bucker

## UNLOADING AND COTTRELL

### Pay Grade

12

Head Cottrell Operator

10

Cottrell Operator

11

Locomotive Crane  
Operator

11

Heavy Loader Operator

9

Diesel Engineer

4

Switchman

2

Mill Laborer

## APPRENTICE

1 <sup>ST</sup>	Period	Grade 5
2 <sup>nd</sup>	Period	Grade 5
3 <sup>rd</sup>	Period	Grade 6
4 <sup>th</sup>	Period	Grade 7
5 <sup>th</sup>	Period	Grade 9
6 <sup>th</sup>	Period	Grade 10
7 <sup>th</sup>	Period	Grade 11
8 <sup>th</sup>	Period	Grade 12

The hiring rate for Laborer Classification shall be \$2.00 per hour less than the Contract Laborer rate for the first 1,040 hours worked and \$1.00 per hour less than the Contract Laborer rate for the next 1,040 hours worked.

\* Current hourly wages rates will be increased \$.50 across the board effective either (1) the beginning of the first payroll period after which the average COMEX price of copper is \$1.00 per pound or more for thirty (30) consecutive days; or (2) July 1, 2002, whichever comes first.

Hourly wage rates will be increased an additional \$.50 across the board effective July 1, 2003.

# HAYDEN PLANT WAGE SCALE

## "Schedule A"

<u>Hired On/After 5/22/95</u>		<u>Grade</u>	<u>4/1/01</u>	<u>7/1/02*</u>	<u>7/1/03</u>
With 2080 hours completed		01	14.085	14.585	15.085
With 2080 hours completed		02	14.63	15.13	15.63
<u>Hired Before 5/22/95</u>		<u>Grade</u>	<u>4/1/01</u>	<u>7/1/02</u>	<u>7/1/03</u>
		01	15.84	16.34	16.84
		02	16.15	16.65	17.15
		03	16.26	16.76	17.26
		04	16.46	16.96	17.48
		05	16.67	17.17	17.67
		06	16.88	17.38	17.88
		07	17.09	17.59	18.09
		08	17.30	17.80	18.30
		09	17.50	18.00	18.50
		10	17.71	18.21	18.71
		11	17.92	18.42	18.92
		12	18.12	18.62	19.12
		13	18.33	18.83	19.33
		14	18.54	19.04	19.54
		15	18.75	19.25	19.75
			<u>7/1/01</u>		
Multi-Skill	14 + \$.50		19.04	19.54	20.04
(1 additional skill)					
Multi-Skill	14 + \$1.00		19.54	20.04	20.54
(2 additional skills)					

be exercised during the first thirty-six (36) months after leaving the home plant and is subject to the terms of the Transfer Rights Program except as modified herein. If more than one employee seeks return to the same position, the senior qualified employee will have priority.

IN WITNESS THEREOF the parties hereto have executed this instrument as of the day and year first above written.

ASARCO Incorporated - HAYDEN OPERATIONS

John R. Shaw

Joe Wilhelm

James F. Coxon

Jerry Banky

Joyce Morris

DATE: 7/01/01

UNITED STEELWORKERS OF AMERICA LOCAL 886

Armando P. Franco

Tony Meza

James R. Goad

Ronald Scheibe

Frances Baldenegro

DATE: 7/01/01

FOR THE UNITED STEELWORKERS OF  
AMERICA, AFL-CIO-CLC

TERRY BONDS, Chairman

CARL MORRIS, President

MANUEL ARMENTA, Sub-Dist. Director

- D. If any eligible laid-off employee or the Union requests information concerning job opportunities, expected hiring dates and pre-employment requirements at another plant covered by this Agreement, the Plant will promptly communicate with such other plant and, upon receipt of reply, pass on this information to such laid-off employee and the Union, if not viewed as privileged or confidential by the Company. This will not guarantee employment because employment needs are not precisely predictable, nor will it create any obligation on the part of either plant, but is a service that should be beneficial to a laid-off employee genuinely seeking other employment within the Company.

#### Section 4.

The transfer rights under this program are subject to applicable law and other contractual or legal requirements that are, or become, binding upon the Company.

#### Section 5.

This Transfer Rights Program shall be effective July 1, 1989.

#### Section 6.

Notwithstanding anything to the contrary in the Collective Bargaining Agreements or the Transfer rights program, any employee who transferred from his "home" plant to an "acquiring" plant shall have a one-time opportunity to return to his home plant to fill an available position. A position is "available" only if no employees remain on layoff from the home plant who would have recall rights to that position and the position otherwise would be filled by a new hire. This opportunity must

respective shutdown or home plants and to the respective Human Resources Manager and individual designated by local union(s), in writing, at plants that are in a hiring mode. The Company will further provide written notice to the individual designated by the local union(s), in writing, of the acquiring plant, or his designee, of the occurrence of any vacancy being filled under this program. The Company will further notify, by certified mail, employees who are not considered qualified.

- B. The right to file a grievance under this program shall be limited to the qualified employee with the greatest Company service denied the right to transfer to a particular vacancy, except, that disqualification of such employee for medical reasons shall not be a proper subject for the grievance and arbitration procedure. Said grievance must be filed within twenty (20) days of the date on which the Company notifies the individual designated by the local union(s) that the vacancy in question was filled. Said grievance must be filed at the acquiring plant in the last step of the grievance and arbitration procedure.
- C. The operation of this Transfer Rights Program will be subject to periodic review by a representative or representatives appointed by the Company and the Union, respectively, in equal numbers, who shall meet as necessary to review the operation of this Transfer Rights Program. The Company shall supply to these representatives pertinent information relating to the operation of this Transfer Rights Program. The function of these representatives is to review any problems that arise as the result of the administration of this Transfer Rights Program and to make recommendations to the parties for the solution of such problems.

3. The accrued amount under the Plan in effect at the shutdown or home plant and attributable to service thereat, less deductible payments therefrom, shall be determined and carried over as a "credit" subject to being paid out in accordance with the provisions of the Plan at the acquiring plant.

#### D. Vacation Policy:

For the purpose of Vacation Policy administration

1. The eligibility and qualification requirements and benefit levels of the acquiring plant apply, however, prior service at the shutdown or home plant shall be allowed for determining Continuous Service requirements.
2. Vacation Bonus entitlement, if such exists at the acquiring plant, shall be similarly applied.

It is understood and agreed that, where the bargaining unit of the acquiring plant to which an employee is transferred under this Agreement is represented by a labor organization not signatory to this Agreement, the special treatment described in paragraphs A through D above as applicable to benefits at such acquiring plant shall not be made effective unless and until the concurrence of the duly designated representative is obtained.

#### Section 3.

- A. The Company will maintain separate listings of applicants from each shutdown or home plant who have filed a written request with management under Section 1, (C). The Company will provide a list of these applicants for transfer to the individual designated by the local union(s), in writing, at the



Benefits subsequent to date of transfer shall be based on Continuous Service after such date and the terms and conditions, including but not limited to benefit levels, of the Plan in effect at the acquiring plant. Accrual of Pension Benefits for Continuous Service at the shutdown or home plant shall be determined for Plan participants in accordance with the benefit levels and other terms and conditions of the Plan in effect at the shutdown or home plant at the time of transfer.

2. Permanent and Total Disability Benefit Plan:

Continuous Service accrued at the shutdown or home plant shall be counted toward meeting the service requirement of the Permanent and Total Disability Plan at the acquiring plant. To determine the "unreduced benefit," that is, the amount produced by application of the appropriate Pension Plan formula and limiting provisions, the provisions of paragraph 1(a) and (b) above shall apply.

C. Security and Severance Plan:

Where such Plan is in effect at the acquiring plant:

1. The waiting period for eligibility shall be waived.
2. Service at the acquiring plant shall be based upon service on and after date of transfer and Benefits attributable to such service will accrue in accordance with the Benefit formula and subject to the terms and conditions of the Plan at the acquiring plant, including but not limited to those applicable to LAID OFF PAYMENTS.

## Section 2.

Employees transferred hereunder shall be treated as follows for the purpose of administering the benefits specified below.

In all other respects the various Benefit Plans in effect at the acquiring plant shall remain unchanged, and in no event, shall there be any duplication of Continuous Service credit or Benefit Accrual or coverage as a result of the application of any provision of this Agreement.

- A. Waiting periods in effect at the acquiring plant for eligibility purposes only, shall be waived in respect to the following:

- Death Benefits

- Accidental Death or Dismemberment Benefit

- Weekly Sickness and Accident Benefit

- Hospital-Medical-Surgical-Vision-Prescription Benefit

- Dental Benefit

- B. Pension Plan and Permanent and Total Disability Benefit Plan

- 1. Pension Plan

- a). Continuous Service: Continuous Service accrued at the shutdown or home plant shall be counted toward meeting the service requirements for vesting and eligibility under the provisions of the Plan in effect at the acquiring plant.

- b). Accrual of Benefits: Accrual of Pension

to his seniority, he shall be deemed a quit at the acquiring plant and shall be entitled to no further preferential hiring rights under this program.

- C. An employee shall be given such priority only if he files with the management of the shutdown or home plant a written request for such employment, in accordance with the procedure established by the Company, specifying the other plant or plants at which he would accept employment.
- D. Job vacancies covered under this program shall be offered to qualified applicants on the basis of company wide service. Seniority at the acquiring plant shall accrue beginning on the employee's date of entry at that plant. Company wide service acquired prior to the employee's date of entry at the acquiring plant shall not be recognized thereat for seniority purposes.
- E. An employee laid off who is offered and who accepts a job at another Asarco property in accordance with the foregoing provisions will report for work there within one month from notification of job availability. The Company has the right to fill such vacancy until the transferee reports for work.
- F. If an employee has been laid off for eighteen (18) months, or if he rejects a job offered to him under these provisions, or if he does not respond within the time required by this Section to such offer directed to his last place of residence as shown on the written request referred to in paragraph (C) above, his name shall be removed from those eligible for priority hereunder.

employee's home plant. An employee who fails the medical examination and who later passes such examination to the satisfaction of the Company shall be reinstated for consideration for transfer, provided he still retains recall rights and is otherwise eligible for transfer under this program.

The job vacancies for which employees shall be eligible under this provision shall be only those that are not filled from the particular plant in accordance with the seniority provisions of the Labor Agreement thereat, and in those classifications represented by the Union.

- B. Any such employee hired at an acquiring plant in a maintenance classification above Helper shall be subject to a probationary period of thirty (30) working days. In the event such employee is disqualified, he shall be terminated at the acquiring plant and returned to the recall list at his home plant, provided that recall rights have not otherwise expired. In the event the employee is laid off from the acquiring plant within twelve months of his date of entry thereat, he shall be returned to the recall list of his home plant, provided that recall rights have not expired. If the employee is laid off from the acquiring plant more than twelve (12) months after his date of entry thereat, he shall have recall rights only at that plant and shall forfeit any recall rights he may have at his home plant. Further, if after the probationary period has expired, the employee is discharged for cause, his recall rights at the home plant shall be similarly forfeited. If an employee hired at an acquiring plant, upon being offered recall at his home plant, elects to return to his home plant according

on to the employee during the period of the contract.

Company matching contributions for participants who attain age 64 shall be transferrable.

## **ARTICLE XXVIII**

---

### **TRANSFER RIGHTS PROGRAM**

#### **Section 1.**

A. Any employee of an existing organized plant of ASARCO Incorporated located in the States of Arizona or Texas, hereinafter "home plant" who is either permanently laid off on or after the date established by the Company for the commencement of a permanent plant shutdown and is not eligible for an immediate pension, or has otherwise been indefinitely laid off for a period of six months or more, and who at the time of the layoff, either permanent or otherwise, has attained 3 years or more of service with the Company, shall be given priority over other applicants (new hires) for job vacancies (other than temporary vacancies) at any other existing organized plant (acquiring plant) of ASARCO Incorporated located in the states referenced above, provided the employee:

1. Is qualified to perform the job (ability and both mental and physical fitness), and
2. Successfully passes a medical examination, to the satisfaction of the Company. (The requirement to successfully pass a medical examination shall be limited to those employees who have been on layoff for a period of six months or more.) Such medical examination may be taken at the

Total Disability benefits, the employee shall have the amount accrued by Formula less total payment received, if any. Retirement payments shall reflect only laid off benefit payments deducted.

Death of an Employee: Upon the death of an employee his designated beneficiary shall receive an amount determined by Formula based on the employee's status at date of death. Death payments shall reflect only laid off benefit payments paid.

Employees separated for any reason other than lay-off, retirement, permanent and total disability or death shall not receive any payments.

All payments provided hereunder shall be subject to statutory deductions or withholdings.

## **ARTICLE XXVII**

---

### **401(K) PLAN**

All employees who have completed 30 days of service shall be eligible to participate in the 401(k) Savings Plan. Employees may contribute up to 19% (or the Federal allowable maximum) of their earnings into the Plan. The Company will match 50% of the employees' contributions, up to the first 6%. Employees should refer to the 401(k) Plan Summary Plan Description for details of the Plan. The provisions of the Plan will not be subject to the grievance and arbitration provisions of the Collective Bargaining Agreement.

All loan origination fees and loan service charges (\$30 and \$10 respectively), as set by the Fund Managers, shall be the responsibility of the employees requesting the loan. If the amount of such fees increase, such increases shall not be passec

employee with ten (10) or more years of service at the commencement of layoff, provided layoff commenced prior to July 1, 1986 (otherwise, this provision is eliminated effective July 1, 1986). In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to eligible employees during weeks for which the employee receives State Unemployment Compensation benefits. For employees laid off on or after July 1, 1983, but prior to July 1, 1986, the additional non-deductible weeks (up to 12 weeks) shall only apply to laid off benefits paid after the employee has exhausted his State Unemployment compensation benefits or is not otherwise employed. If otherwise employed, such payments for the twelve (12) weeks shall be deducted from his amount accrued by Formula.

- (c) 52 weeks whichever first occurs. In the event of (c) and an amount accrued remains, the employee shall have the option of: the remaining amount continuing on accrual; or receiving the remaining amount accrued in a lump sum payment.

Payments shall be made without regard to:

1. Any other benefit or payment received by the employee.
2. His employment status except as covered in (a) above.

An employee laid off, recalled before (b) occurs, and subsequently laid-off, shall have an accrued amount based on total years of service (figured to nearest complete calendar quarter) less total deducted payments received.

**Pension Employees:** At date of retirement under Company's Retirement Plan, or on the date of his established eligibility for benefits under the Company's Plan of Permanent and

# ARTICLE XXVI

---

## SECURITY AND SEVERANCE PLAN

The established Security and Severance Plan shall remain in effect in accordance with the following outline of provisions, subject to the detailed Plan:

### FORMULA:

1% of Average Annual Earnings times Years of Service, plus \$30.00 times Years of Service (Annual Earnings: Straight time hourly earnings which shall exclude all pay premiums of whatever nature, for the twelve (12) consecutive calendar months immediately preceding date of layoff, retirement, or death, divided by the straight time hours worked, multiplied by 2,080 hours.)

Effective July 1, 1986, Security and Severance Plan Benefit calculations shall not be reduced by any Wage Reductions negotiated.

Hires, or rehires, on or after July 1, 1983, shall be limited to a \$7,500 maximum (lifetime) amount accrued by Formula.

ELIGIBLE: All employees upon completion of two (2) Years Service. (All "Years Service" shall be based on the Plant's Seniority List.)

### PAYMENTS:

Laid Off Employees (for lack of work only): After 14 calendar days on layoff, \$75 per week until either:

- (a) Employee is recalled.
- (b) Exhaustion of his amount accrued by Formula. In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to an



- b). Extended benefits for a period of 31 days.
- c). Conversion rights within 31 days.
- d). Active employees shall be allowed to purchase at cost, supplemental life insurance for themselves and dependent life insurance for their spouses and children. Employees are responsible for payment of these premiums.

## 2. Retired Employees.

Upon retirement under the Company's Retirement Plan, the amount of coverage to be continued without cost to the employee will be \$4,000.

## ***F. FLEXIBLE SPENDING ACCOUNTS.***

Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$2400 for uncovered medical, vision and dental expenses, with a minimum contributed of \$240 required. Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$4,800 for dependent care, with a minimum contribution of \$480. For detailed information concerning Flexible Spending Accounts refer to the Summary Plan Description.

## ***G. COSTS.***

During the term of this Agreement ending June 30, 2004, the Company will pay the cost of all benefits outlined in this Article, including any increase required for such benefits (with the exception of all monthly contributions, deductibles, co-pays and supplemental/dependent life insurance contributions as described in this Article).

up the amount of my delinquency out of my wages and payable to me thereafter.

The foregoing assignment and authorization is voluntary and irrevocable, except that this assignment may be revoked by me upon written notice to the Company and to the local Union not more than 20 and not less than 10 days prior to any anniversary of the date of this assignment or termination date of this agreement.

1. This assignment may be revoked by me upon notice to you and the Union if I am transferred out of the bargaining unit represented by the Union.
2. No dues shall be collected for any period while I am separated from the payroll.

Subject to the foregoing, I agree and direct that this assignment and authorization shall remain in effect until revoked by me, in which case I agree to give regular notice to you and the Financial Secretary of the Union by registered mail, return receipt requested."

## **ARTICLE III**

---

### **DURATION OF AGREEMENT**

This Agreement shall become effective at 7:00 a.m., July 1, 2001, and shall remain in effect through June 30, 2004. The parties specifically waive any rights, which either may have to bargain with the other during the life of this Agreement on any matter pertaining to rates of pay, hours of employment or other conditions of employment whether or not covered by this Agreement. Should cancellation or any change or changes in this Agreement be desired by either party hereto, written notice must be given to the other party not less than

sixty (60) days and not more than ninety (90) days in advance of the date of expiration, and any such notice must embody a statement of any change or changes desired. In the event of notice not being given as indicated, the Agreement shall automatically be renewed from year to year subject to the foregoing terms and conditions.

## **ARTICLE IV**

---

### **WORKING HOURS AND OVERTIME**

- A. Excluding extended shift schedules (12 hour shifts), and lunch periods, eight (8) hours continuous work shall constitute a basic day, and for all time in excess of eight (8) hours rate and one-half will be paid except when such work in excess of eight (8) hours is occasioned by changes in shifts from day to afternoon or night, or vice versa, or when regular swing men's regular assignments are regularly assigned so as to require them to work two (2) shifts in the twenty-four (24) hour period. Regular shift changes shall not occur more often than once in any two (2) week period except when and if any such changes are required by emergencies or other unforeseen circumstances, or special shifts on a pre-arranged schedule, and in such event straight time will be paid. It is understood that when men are required to remain on duty in excess of eight (8) hours in continuous service, they will receive pay for overtime at rate and one-half. Present practice in regard to meal periods will be maintained, but in no event shall a man be required to work more than five (5) hours continuously without being given time for a meal. Efforts will be made to equalize overtime.
- B. All time worked in excess of forty (40) hours in any workweek, and for which overtime has not already been

paid, shall be paid for at a rate and one-half. In the event an employee works six (6) days in the regularly scheduled workweek, such employee shall receive time and one-half for the sixth day, and in the event the employee works seven (7) days in the regularly scheduled workweek, he shall receive double the regular rate of pay for such seventh day; provided that work of four (4) or more hours duration performed on any shift that is not a continuation of a previous shift shall constitute a working day for the purpose only of determining a sixth or seventh day; but this shall not result in any premium pyramid of whatever type. No employee shall be required to work over sixteen (16) hours in a twenty-four (24) hour period.

- C. No employee who may work on his day or days off shall be required to lay off during the same workweek, except in cases where the regularly assigned job is not available due to curtailment of operations or emergencies created by acts of God, wrecks, failure of electrical power or acts beyond human control.
- D. Any employee called to work other than his regular shift shall be paid at rate and one-half with the minimum payment equivalent to four (4) hours work at his regular rate. This paragraph shall not apply to overtime work immediately prior or consecutive to the regular shift. An employee is considered called out when summoned after he has passed out of the customary exit gate of the plant.
- E. Any employee reporting for work on a regularly assigned shift shall receive not less than six (6) hours work, or six (6) hours pay at his regular rate, except where the employee has been notified not to report at least four (4) hours before the commencement of such shift.

- F. When an employee at the beginning of or during a shift is called off his regularly assigned job to do other work for a period of one (1) hour or more, he shall be paid for such work at his regular rate or at the rate for such work, whichever is higher.
- G. There shall be no pyramiding of earnings resulting from various types of overtime.
- H. The Company shall post the working schedule of employees at least two (2) weeks in advance of the starting date, except that special crews may be scheduled for a specific job prior to the beginning of the workweek for work that cannot be foreseen further in advance, provided such changes are not made to avoid payment of overtime.
- I. An employee injured in the course of duty shall receive pay for his full eight (8) hour shift on the day of his injury if doctor shall determine he is unable to complete his shift. If a man becomes ill on the job, he will be permitted to report to the Plant Clinic for treatment without penalty of lost time from work.
- J. For employees on straight day shift, ten (10) minute cleanup time will be allowed prior to and at the end of the shift.
- K. At any time that any part of the Powerhouse equipment shall be in operation, there shall be a regular Powerhouse operator on duty.
- L. A lunch shall be furnished by the Company for any employee required to work overtime consecutive to the completion of his regular shift for more than four (4) hours. An employee working beyond four (4) hours on a callout shall receive a lunch. Present practice under Article IV - A, regarding time for a meal and breaks will remain the same.

In the event a lunch is waived, an employee shall receive \$5.00 pay in lieu of lunch.

- M. Shift changes shall not occur more often than once in any two (2)-week period except under present powerhouse rotating shift schedule and/or emergency conditions.
- N. New employees will not be added in a department for the purpose of reducing the standard workweek below forty (40) hours.
- O. A head Electrician and a Head Powerhouse Operator, selected by the Company, will be designated for the first scheduled shift of each day.
- P. An earnest effort will be made to equalize overtime, and a year-to-date record of all overtime shall be posted on the bulletin at all times.
- Q. No salaried supervisory employee shall perform regular maintenance work covered by the occupations under this Agreement, but such regular work shall, however, include by definition, supervisory duties associated with: (1) Instruction or demonstration; (2) Emergencies; (3) Assurance of continuity of operations when qualified employees are not available. It is understood this does not relieve the Company of the responsibility of making a reasonable effort to obtain qualified employees.
- R. In the event state law requires an employee to obtain a certification or license to work in their craft or the Company schedules mandatory training, the Company will pay the cost of obtaining same including any lost time involved, up to the employee's normal scheduled shift. Employees scheduled by the Company for off-site training will be compensated for mileage to and from the training location in excess of their normal commute

to work, at the prevailing rate established by the Company. Any renewal expense(s) shall likewise be paid for by the Company. In the event state law requires an employee to obtain a certification or license to work in his craft, the company will pay the cost of obtaining same including any lost time involved. Any renewal expense(s) shall likewise be paid for by the Company.

## **ARTICLE V**

---

### **EXTENDED SHIFTS**

- A. Implementation: If the Company and Union decides an extended shift schedule is consistent with the needs of the operation for a particular department or natural work group, the Company will provide the Union with a copy of the proposed work schedule. The proposed schedule will be adopted if the Union President and the Company agree the schedule will be placed in effect for six (6) months. The extended shift schedule will continue until either the Company determines it is no longer consistent with the needs of the operation or the Union gives sixty (60) days notice to cancel, in which case the Company will re-institute the 8 hour shift.
- B. Overtime: Employees working extended shifts will be paid overtime if the employee works beyond his/her regular scheduled shift in one workday or more than forty (40) hours in one workweek. Employees will not be required to work more than sixteen (16) hours in one workday except in case of emergency. The Company will seek volunteers for overtime before requiring employees to stay. Employees working twelve (12) hour shifts will not be required to work overtime on consecutive days unless no other qualified employee is available on that shift. Employees working overtime after

a twelve (12) hour shift will be provided an overtime lunch within approximately the first two (2) hours of overtime; any pay in lieu of lunch will be in accordance with the Labor Agreement.

- C. Shift Differential: Employees working the second shift will be paid the night shift differential. Overtime shift differentials will be paid according to the current Labor Agreement.
- D. Vacation: Vacation pay is based upon total vacation hours eligibility. Vacation days taken during the year will be deducted from the employee's total vacation hours eligibility based upon the number of hours the employee was scheduled to work during the absence. Residual vacation hours equal to half or more of a full shift may be taken as a vacation day with the residual hours paid, or the employee may elect to be paid for those hours in lieu of time off. Residual hours of less than half a full shift may not be taken as a vacation day and the employee will be paid for the unused vacation hours. Scheduling of vacations is subject to the approval of the Company.
- E. Holidays: Employees working on a holiday will be paid according to the current Labor Agreement. Employees will be paid eight (8) hours straight time pay for holidays not worked, subject to the terms and conditions of the current Labor Agreement.
- F. Jury Duty: The employee will receive full shift pay for regularly scheduled workdays, subject to the terms and conditions of the current Labor Agreement.
- G. Bereavement Pay: Current Labor Agreement language will apply; employees will receive full shift pay.
- H. On-the-Job Injuries: Employees will receive compensation for lost time according to the current



Labor Agreement, based on the hours they otherwise were scheduled and would have worked.

Accommodations for employees needing time off or shift trades will be handled according to current practice, keeping in mind that the additional days off inherent in extended shifts should allow employees more than ample time to take care of most personal business.

The Company will have final approval of all schedules and reserves the right to discontinue the extended shift schedules if the needs of the operation so require. In addition, reference to ten or twelve-hour shifts in this or any other proposal regarding extended shifts is not intended to preclude scheduling for shifts of any length up to twelve hours in accordance with the Labor Agreement.

## **ARTICLE VI**

---

### **TOOL REPLACEMENT AND PROTECTIVE CLOTHING**

Where work duties require employees to have tools of their own, such tools will be replaced by the Company without cost upon satisfactory proof that they have been broken or worn out in the performance of work for the Company. These replacements will be made on an exchange basis only, except when to the satisfaction of the Company said tools were lost in the performance of work. Replacements will be made with tools of like quality.

Clothing destroyed by abnormal causes during the course of employment shall be replaced by the Company.

# ARTICLE VII

---

## SENIORITY

- A. Promotions and demotions, preference for retaining employment in case of curtailment of operations, and preference for regaining employment in case of expansion of operations shall be based upon the qualifications to perform the duties of the job of the individual employee. Where qualifications are substantially the same, the greatest time of service in the employ of the Company shall be the deciding factor. The relative qualifications of the employees shall be determined solely by the Company through its supervisor and functional managers, provided such determination is made in a fair and equitable manner.
- B. Seniority shall not be affected by inability to work due to illness or other physical disability when certified by the Company physician, for vacations or leaves of absence from work not in excess of three (3) months duration.
- C. The Company shall post and have available for the inspection of the employees, a seniority list showing each employee's occupation and seniority rating. This seniority list shall be revised at semi-annual intervals. In case of curtailment in the electrical department or power department, retaining or regaining employment within the bargaining unit shall be based on departmental seniority subject to proper qualifications of the employees. However, in the classifications journeymen electrician and powerhouse operators, retaining or regaining employment within the bargaining unit shall be based solely on departmental seniority. Upon graduation, an apprentice will be put on the seniority list as a journeyman. His craft seniority will be his date of indenture in the apprenticeship program.

- D. New employees shall not be considered permanent employees until such employees have worked a total of ninety (90) days. At the end of that period their names will be entered on the seniority lists as of the date hired.
- E. An employee shall lose his seniority standing when:
- (1) He quits voluntarily;
  - (2) He is discharged for cause;
  - (3) He fails to report within fourteen (14) days after notice by registered mail is posted to the employee at his last known address, with copy to the business manager of the Union.

The seniority of an employee who has completed his probationary period shall terminate upon the expiration of a period of twenty-four (24) months since such employee last worked for the Company; and seniority shall terminate for an employee, who has three (3) or more years of service as of his last day worked for the Company, upon the expiration of thirty-six (36) months of such absence.

- F. When vacancies occur in other than journeyman classification, or new jobs are created, the Company will post notice on the bulletin boards for three (3) consecutive days. Employees wishing to apply for such job shall make written application to the Employment Office on forms provided for that purpose within five (5) days from the date of the first posting. Should no qualified employee within the bargaining unit apply for the vacancy, or new job, the Company may fill the vacancy by bidding or hiring. If the vacancy is permanent and the senior qualified man is absent due to sickness, vacation, or leave of absence, he shall be allowed to

exercise his seniority within three (3) days following his return to work.

Employees absent because of vacation, sickness (S&A), or approved leave of absence(s) shall have the opportunity to bid vacancies which occurred in their absence within sixty (60) days of the bid for said vacancy. Should the senior qualified employee fail to accept the promotion, it shall be offered to the next senior employee on the list. The refusal of a promotion by an employee will not alter his seniority as to future promotions, as covered in this paragraph. Vacancies in the powerhouse classification are to be filled by the senior powerhouse helper provided that, after a trial period, and in the Company's opinion, the helper is qualified to fill such vacancy.

- G. In the event that forces are reduced due to curtailment of operations, the Company will, where practical, give one-week notice of such intention.
- H. Seniority shall not be affected by acceptance of promotion outside the bargaining unit for a one hundred fifty (150) day trial period.
- I. As far as operations permit, craft seniority will be considered in providing for preference of days off and shift with review being made semi-annually.

## **ARTICLE VIII**

---

### **DISCIPLINE**

Employees may be disciplined, demoted, suspended, or discharged by the Company's supervisory employees authorized so to do only for cause, and such cause shall be submitted to the employee in writing.

In the event an employee is officially warned, the Company will, upon request, contact the nearest IBEW Union Representative at work.

It is agreed that when it shall become necessary to discharge an employee, or invoke a disciplinary layoff, the supervisor shall contact the nearest available Union representative at work, and in the presence of the employee and said Union representative explain the reason for such discharge. If circumstances are such that the employee is not at work, a copy of the discharge slip shall be presented to the Union.

All disciplinary actions will be subject to the grievance procedure.

Record of employee violations of Company rules and regulations will not be extended beyond a two (2) year period from the date of violation for any purpose.

## **ARTICLE IX**

---

### **GRIEVANCES**

- A. (Step 1) Any employee or group of employees having a grievance or complaint relating to the application or interpretation of this Agreement shall present the matter to his or their supervisor, accompanied by one (1) and only one (1) Union representative; provided, however, that any employee or group of employees shall have the right at any time to present a grievance to the Company and to have such grievance adjusted without intervention of the Union, as long as such adjustment is not inconsistent with the terms of the contract, and provided also that a Union representative has been given an opportunity to be present at the adjustment.

To be processed under this Agreement, the grievance must be presented to the supervisor within five (5) days of its occurrence.

After hearing of a grievance at the first step, the supervisor will submit his answer in writing within forty-eight (48) hours, excluding Saturdays and Sundays.

- B. (Step 2) If an adjustment of the grievance satisfactory to the employee or employees is not reached in forty-eight (48) hours, excluding Saturdays and Sundays, and Holidays, the matter then shall be presented at a hearing with the functional manager. In presenting a grievance to the functional manager, not more than two (2) Union representatives shall be present. Within seventy-two (72) hours, excluding Saturdays and Sundays, and Holidays, thereafter, the functional manager will submit a written answer of the grievance to the Grievance Committee.
- C. (Step 3) The Grievance Committee shall not consist of more than three (3) employees selected by the Union, and may include, in addition, the business agent and the International Representative of the Union. The Grievance Committee shall consider any grievance presented to it as provided above, and if it deems the grievance a just one it shall submit it in writing to the Plant Manager or his representative. Such presentation shall be made within five (5) days, excluding Saturdays and Sundays, and Holidays, after decision of the Company in Step 2. Within three (3) working days after presentation of the grievance to the Plant Manager or his representative as provided above, the Plant management shall meet with the Grievance Committee for the purpose of considering such grievance.
- D. (Step 4) The Company shall advise the Union in writing within ten (10) days, excluding Saturdays and Sundays,

and Holidays, of its decision reached in Step 3. If the Union does not invoke arbitration within fifteen (15) days, the grievance shall be deemed settled.

If an adjustment of the grievance satisfactory to the employee or employees has not been reached in Step 3, the Union may refer the matter to arbitration within fifteen (15) days after receiving decision of the Plant management.

- E. Notification to the Company by the Union to invoke arbitration shall be by registered mail.
- F. Hearings of grievances shall be conducted during working hours unless otherwise arranged by mutual agreement.
- G. The arbitrator shall not have the authority to alter the terms of this Agreement and shall only have the power to interpret and render decisions based upon the provisions of this Agreement.
- H. An arbitrator will be selected from a panel to be established by the Company and Union. Selection will be on a case-by-case rotation basis. The arbitrator shall hear any grievance referred to him during the life of this contract and render his decision. The Company and the Union agree that the arbitrator shall not be called upon to hear more than one (1) case at each sitting.

In arbitration cases involving discharge, the parties will attempt to select an arbitrator in accordance with the selection provision, that has an available date within forty-five (45) days following the appeal to arbitration. Such arbitrator would be directed to render a decision following the hearing. If no arbitrator selected in accordance with this provision has such an available date the parties will agree upon another arbitrator to hear th

case in accordance with this provision.

- I. The expense of the arbitrator shall be borne equally by both parties.
- J. Any settlement of any grievance reached at any of the stages hereinabove provided shall be final and binding upon the employee or employees involved, and upon the Company and the Union.
- K. If each successive step in the grievance procedure is not invoked within the prescribed time, the grievance shall be deemed settled.

## **ARTICLE X**

---

### **SAFETY AND HEALTH**

The Company shall make reasonable provisions for the safety and health of its employees during the hours of their employment, and agrees to abide by and maintain standards of sanitation, safety and health in accordance with Federal and State laws and regulations.

The Company and the Union will cooperate in achieving the objective of eliminating recognized hazards related to sanitation, safety and health; the Company will insist that all employees comply with all Safety and Health rules.

Recognizing that continuing on-the-job safety and health, as well as the elimination of recognized hazards is the concern of all employees, the following program shall be adopted by the parties.

#### **Facilities and Training**

Adequate First-Aid facilities and access to emergency First-Aid treatment shall be provided by the Company. A registered



nurse or qualified trained personnel shall be available to administer First-Aid to employees on all shifts. All new employees shall be given a thorough indoctrination in the applicable Safety and Health program, and shall be provided with a listing of the members of the Safety and Health committee. The Union shall be responsible for providing the Company with a current listing of Union representatives on the Committee. All employees will be instructed on the safety and health aspects of their particular job.

### **New Equipment and Processes**

When the Company introduces new equipment or processes, all employees involved shall be instructed and trained in its safe operation. Where the company uses or introduces chemicals, solvents, and gases, which may be or become a recognized hazard in working areas, the Company will advise affected employees and the Union departmental Safety and Health Representative of precautions which have been taken and to be observed for their protection. On request of the Committee's Union Representatives, the Company will provide written assurance that such steps have been taken.

### **Record Keeping and Review**

Exposure Measurements: The Company will keep such records of exposure as may be required by the U.S. Department of Labor. On request of the Committee's Union Representatives, the Company will review the results of exposure measurements with them.

### **Accident Frequency/Severity**

A summary report of accident frequency and severity shall be prepared quarterly and forwarded to the Local Union, and the International Union Safety and Health Department. Such summary report may be reviewed upon request of either party at the Safety and Health committee meetings.

## **Committee Members and Meetings**

A Safety and Health Representative and an Alternate in each Department of the Plant, to a maximum of three Representatives and three Alternates if the number of Departments exceeds three, shall be designated by the Union. These Representatives or an Alternate, if available, in the absence of the Representative, shall meet with the Company Representatives monthly, as a "Safety and Health Committee" (hereinunder called the "Committee"), to review and discuss Safety and Health matters. Without detracting from the existing rights and obligations of the parties, alcoholism or drug abuse may also be discussed with the objective of rehabilitating the afflicted employee. These meetings shall be held during the day-shift working hours. Representatives or Alternates at work shall not suffer loss of time for attending. A special meeting may be called by either party on reasonable notice to all representatives, as a specific Safety and Health situation requires. Representatives or Alternates at work shall not suffer loss of time for attending.

## **Reports of Meetings**

A written report of regular and special meetings, including subjects discussed, recommendations made and action taken shall be prepared by a Company Representative and a copy sent to each Representative within five (5) working days following the meeting. If the Union Committee Representatives take exception to the minutes, such exceptions may be submitted in writing to the Company within five (5) days after receipt of the minutes.

A special meeting may be called by either party on reasonable notice to all Representatives, as a specific Safety and Health situation requires. Representatives or Alternates at work shall not suffer loss of time for attending.

## Complaints And/Or Disputes

An employee who sincerely believes and alleges that an unsafe condition exists on a job beyond normal hazards inherent in the operation, such that he is in danger of injury, may, on request, be promptly assigned to another job if available, at the rate of pay on that job, or sent home. The employee may request that the Department Safety and Health Representative, or Alternate in the absence of the Representative, be called to confer with the Company regarding the alleged unsafe condition. The determination whether to assign the employee to another job, if available, or to send him home shall be made by the Company. After assuring itself that the job is, in fact, safe, should the Company wish to assign another employee to the job, he or she will be advised of the dispute before assignment.

If the job is found to be unsafe at the next scheduled safety meeting provided for herein, to which the affected employee will be given the opportunity to attend if deemed necessary by the Committee, he will suffer no loss in pay for the time lost. If there is no agreement as a result of such meeting, the matter will be resolved by an arbitrator to be selected in the manner set forth in Article IX. This provision will not be subject to the regular grievance procedure of this Contract.

## Inspections

The respective Departmental Representative - Departments in excess of three shall be assigned among the three Representatives - shall accompany and advise the Plant Safety Engineer during his regular monthly scheduled inspection of the Plant. The Union may designate an Alternate to participate, if available, in the absence of any such Representative. These Departmental Representatives may also accompany the Company's Central Safety Engineer on an inspection trip during his periodic visit to the Plant. If at

work, the designated Union member of the Committee, or its Alternate in absence of the member, shall be afforded the opportunity to accompany government inspectors, State and Federal.

### **Plant Visits**

If desired, International Union Safety and Health Representatives may visit the Plant, if a particular situation warrants; reasonable notice to, and permission of, the Unit Manager shall first be obtained. In the event of a fatality of an employee, such permission shall not be unreasonably withheld.

### **Accident Investigations**

Management will promptly notify the Union Safety and Health Representative on shift (or in his absence, the Alternate designated for such purpose) of the occurrence of an accident involving substantial injury to Life and Limb. On request to investigate the scene of the accident, permission to do so will not be unreasonably withheld. The Representative or Alternate on shift shall not suffer loss of time due to such investigation.

### **Pay On Day Of Injury**

An employee injured in an industrial accident who loses time on the day of accident, and/or the day following the accident, as a result of obtaining Company-directed medical treatment shall be compensated for such lost time occurring during the scheduled hours of work on the day(s) such treatment is received.

### **Showering**

The Company may require certain employees to shower immediately before or after the completion of their workday.

In such cases, fifteen (15) minutes will be allotted for showering and related activities when required before the end of the workday or if so designated by the Company, where required after the completion of the employee's workday.

## ARTICLE XI

---

### HOLIDAYS

A. The Company shall recognize the following days as holidays: January 1st, May 30<sup>th</sup> (Memorial Day), July 4<sup>th</sup>, Labor Day, Thanksgiving Day, the day following Thanksgiving Day, December 24<sup>th</sup> (Christmas Eve), and Christmas. Employees who work on any of said holidays will be paid the applicable straight time or overtime rate with shift premium if due, plus a bonus equal to one and one-half (1 1/2) times the straight time rate without shift premium for eight (8) hours or the time actually worked, whichever is greater. Employees covered by this Agreement shall be paid for the same named holidays when not worked subject to the following terms and conditions:

- (1) An employee must have been on the Company's payroll continuously for two (2) months prior to the holiday in question. This language applies to new hires and rehires only after July 1, 1986.
- (2) An employee must work two (2) straight time shifts during the workweek in which the holiday occurs, provided, however, if an employee is absent on such day because of personal sickness, verified by the company doctor, sickness within his family of such nature as to necessitate the employee remaining home, death in the family, or certified Union business, and reports it promptly to his supervisor, such day shall be counted as worked.

- (3) An employee who is qualified in accordance with subparagraphs 2 and 3 shall receive one (1) shift pay at regular straight time rate exclusive of shift differential.
- (4) A holiday not worked shall not be considered as time worked in the computation of weekly overtime.
- (5) The Company will schedule as few men as practical on holidays. If an employee is scheduled and assigned to work on a holiday and does not work, he shall receive no pay.
- (6) Should a holiday occur during an employee's vacation, the employee may elect pay in lieu of the holiday or an additional day off with pay, the scheduling of which must be approved by management.
- (7) The payment of holiday bonus for holiday work shall not be used to offset the overtime within the workweek.
- (8) Callout on a holiday is to be paid in accordance with terms of Article IV, Working Hours and Overtime, of the Agreement.

B. An additional paid holiday shall fall on the individual employee's birthday, as noted on his employment record. Where such holiday falls on Saturday, Sunday, or a regularly scheduled holiday, the birthday holiday shall be celebrated on the day before or the day after such type of day; the choice of days to be subject to the Company's convenience. Where the individual's birthday falls on his regularly scheduled day off (including Saturday and Sunday on continuous operation), he shall receive holiday pay for that day, treating it as a birthday

holiday. A birthday holiday worked shall be paid for at the same rate as other holidays worked. Employees will be scheduled to work their Birthday Holiday unless they provide a written request to their immediate supervisor, no later than seven (7) calendar days prior to their birthday, stating their intention to take the day off work.

- C. The provisions set forth in the above paragraph shall not affect any other sections in Article XI.

## **ARTICLE XII**

---

### **VACATIONS**

- A. Vacations at the Hayden Plant shall be effective on the following plan, and the Company shall endeavor to give employees notice thirty (30) days in advance of starting vacation.
- B. Each eligible employee who has worked 1,200 hours during the year preceding his anniversary date of each year shall receive a vacation of seven (7) days with six (6) days pay; each eligible employee who has been continuously on the payroll for the three (3) year period preceding his anniversary date and who has worked 1,200 hours in the year preceding such anniversary date shall receive a vacation of fourteen (14) days with twelve (12) days pay; each eligible employee who has been continuously on the payroll for the ten (10) year period preceding his anniversary date and who has worked 1,200 hours in the year preceding his anniversary date shall receive a vacation of twenty-one (21) days with eighteen (18) days pay; each eligible employee who has been continuously on the payroll for the twenty (20) year period preceding his anniversary date and who has worked 1,200 hours in the year preceding his anniversary

date shall receive a vacation of twenty-eight (28) days with twenty-four (24) days pay; each eligible employee who has been continuously on the payroll for the twenty-five (25) year period preceding his anniversary date and who has worked 1,200 hours in the year preceding his anniversary date shall receive a vacation of thirty-five (35) days with thirty (30) days pay, provided such person be an employee on the date the vacation commences. In the event a five (5) day work week is in effect, vacation pay will be at the rate of five (5) days for one (1) year of service, ten (10) days after three (3) years of service, fifteen (15) days after ten (10) years of service, twenty (20) days after twenty (20) years service, and twenty-five (25) days after twenty-five (25) years service, provided that the change in workweek schedule has been made no less than ninety (90) days prior to the time the vacation is taken.

\*The vacation eligibility will be outlined below:

- C. First year employee will become eligible for a vacation with pay upon reaching his first anniversary date and having worked 1,200 hours prior to that date. Employees shall be eligible for their second and subsequent vacations upon completion of 1,200 hours worked during the preceding calendar year.
- D. All employees who have been continuously employed for a period of three (3) years and who have worked at least 1,200 hours during the preceding calendar year shall be entitled to a vacation of two (2) weeks with pay, provided he is otherwise eligible under the terms of this Article.
- E. All employees who have been continuously employed for a period of ten (10) years and who have worked at least 1,200 hours during the preceding calendar year shall



be entitled to a vacation of three (3) weeks with pay, provided he is otherwise eligible under the terms of this Article.

- F. All employees who have been continuously employed for a period of seventeen (17) years and who have worked at least 1,200 hours during the preceding calendar year shall be entitled to a vacation of four (4) weeks with pay, provided he is otherwise eligible under the terms of this Article.
- G. All employees who have been continuously employed for a period of twenty-five (25) years and who have worked at least 1,200 hours during the preceding calendar year shall be entitled to a vacation of five (5) weeks with pay, provided he is otherwise eligible under the terms of this Article.
- H. An employee terminated for any reason other than quit or discharge who is not eligible for a vacation shall receive a prorata payment based on percent of service to date of termination; in all other respects, the provision shall remain unchanged.
- I. The criterion of 1,200 hours worked for vacation qualification may include:
  - (1) Time lost on a regularly scheduled hours basis because of accidents compensable under a state Workers Compensation law, jury duty and temporary layoffs (excluding layoffs due to a reduction of the work force) will be considered as time worked in order to qualify for vacations.
  - (2) Time lost on a regularly scheduled hours basis due to periods of sickness or injury not in excess of a total of two hundred forty (240) hours certified to

by a Company physician shall be considered as time worked in order to qualify for vacation.

(3) Time lost on a regularly scheduled hours basis because of absence due to Union business not in excess of a total of two hundred forty (240) hours shall be considered as time worked in order to qualify for vacation.

- J. Vacations must be taken in the year given or may be deemed forfeited. Vacation dates shall be subject to the approval of the Company and, where the operation of any department is shut down for a period of time, employees affected thereby and eligible may be given their vacation during such shutdown periods.
- K. Senior employees desiring to split their vacation can only exercise their choice for the first unit of vacation.
- L. Vacation pay shall be based upon the straight time (no overtime) hourly rate of pay averaged for the pay period immediately preceding the time vacation is taken, and the premium for afternoon and nightshift work shall be excluded in the determination thereof. However, where vacation is taken in July, the hourly rate of pay for vacation shall be based on the straight time (no overtime) comparable average hourly rate of pay in effect as of July 1, and the premium for afternoon and nightshift shall be excluded in the determination thereof. Vacation pay shall be paid upon the payday next preceding the commencement of the vacation or in the normal course, whichever the employee designates, and shall be subject to the usual deductions.
- M. Employees will be allowed to sell back to the Company all but two (2) weeks of the vacation to which they are entitled in a vacation year and receive pay in lieu of vacation.

Employees may not sell back more than one week in any calendar quarter. No more than one year's earned vacation may be taken or sold in any employment year.

- N. Employees will be permitted to take up to two weeks of their allotted annual vacation in increments of one day or more, subject to the current local agreements and practices concerning scheduling of incremental vacation days.
- O. In addition to the regular vacation pay to which an employee is entitled, there shall be paid a vacation bonus in accordance with the following schedule:

<u>Vacation Week Commencing In</u>	<u>Bonus</u>
April, May	\$35 per week
October, December	
January, February	\$50 per week
March, November	

The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences, that is, the first day thereof the employee would otherwise have been scheduled to work. For example, an employee whose two consecutive week vacation begins Monday, September 24, 1984, would not be entitled to a vacation bonus for the first vacation week, but would be entitled to a \$35.00 bonus for the second vacation week which begins October 1, 1984. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds. A \$20.00 Bonus shall be paid for vacation weeks paid in lieu of time off.

The vacation bonus is an add-on to, and not part of, an employee's regular vacation pay.

- P. Starting on the first Monday in December and continuing through the last Friday in January, vacations will be selected on a seniority basis as outlined in paragraph J and K.

The period of the week following seniority selection will be used to adjust schedules as required.

Starting on the second Monday in February, vacations will be selected on a first-come, first-served basis. These vacations will be scheduled around vacation selected on a seniority basis. This selection period will end on the third Friday of February.

Starting on the fourth Monday of February for a one week period, those people not selecting a vacation will have a vacation assigned during available periods.

## **ARTICLE XIII**

---

### **JURY DUTY**

Upon certification of the court clerk, an employee who is subpoenaed for jury duty shall receive the straight time pay they would have received when such jury duty falls on their regularly scheduled work days. A day summoned for jury duty will be paid whether or not the employee actually serves on a jury.

## **ARTICLE XIV**

---

### **BEREAVEMENT PAY**

In the event of a death in an employee's family, 3 days time off may be taken at any time between the date of the occurrence of the death and the day following the funeral.

However, at least two such days must be consecutive. If any of the days off fall on a day which the employee is scheduled to work, he shall receive eight (8) hours straight time pay at his job rate for such day. The family is defined as Father, Mother, Step-Father, Step-Mother, Mother-In-Law, Father-In-Law, Son-in-Law, Daughter-in-Law, Grandmother, Grandfather, Husband, Wife, Sister, Brother, Step-Brother, Step-Sister, Child, Step-Child, Grandchild. Employees will be allowed one day off with straight time pay for the death of a Sister-In-Law, Brother-In-Law, Grandmother-In-Law or Grandfather-In-Law.

## ARTICLE XV

---

### MILITARY ENCAMPMENT

Effective July 1, 1974, an employee required to attend encampment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between his government pay (excluding travel, subsistence or quarters allowances, if any) for a period not to exceed two weeks in any calendar year and the amount of straight time pay, based on eight (8) hours per day - forty (40) hours per week, he would have received had he worked instead of attending encampment. The straight time pay calculations shall exclude cost-of-living allowances, shift differentials and any other premium pay, but shall include pay for any holiday (covered by the Collective Bargaining Agreement applicable to the employee) which is observed during the period of encampment for which the military encampment allowance is calculated. If the encampment exceeds two (2) weeks in any calendar year, only the first two (2) weeks the employee would have worked but for the encampment shall be considered for the purpose of calculating the allowance.

# ARTICLE XVI

---

## WAGES

- A. The rates of pay as shown on Schedule A, which shall be in effect for the life of this Agreement, are attached hereto and made an integral part of this Agreement.
- B. A premium of thirty cents (\$. 30) per hour will be paid for work performed on the afternoon shift, and forty-five cents (\$. 45) per hour will be paid for work performed on the night shift.
- C. The premium pay provided herein is not applicable in case of daily overtime consecutive with the regular work shift. However, if the daily overtime comprises of a full eight (8) hours shift consecutive with the regular shift or included in the same twenty-four (24) hour workday as the regular shift, the premium pay will be paid at the applicable rate for the overtime period.

# ARTICLE XVII

---

## COST OF LIVING

The Cost of Living clause will remain suspended for the term of this Agreement.

# ARTICLE XVIII

---

## UNION WORK

- A. Whenever a member of the Union is elected to or selected for a full-time Union position, the Company shall grant such employee a leave of absence for the term of said office not to exceed two (2) years without loss of seniority,

provided however that said employee makes application to the Company for reinstatement within thirty (30) days after leaving the employ of the Union, and provided further that not more than two (2) such employees shall be absent at the same time.

- B. Leaves of absence not to exceed sixty (60) working days in any contract year shall be granted to not more than two (2) employees at any one time, for the purpose of attending Union conventions or other Union meetings.

## **ARTICLE XIX**

---

### **TECHNOLOGICAL CHANGE**

Prior to the implementation of a major technological change in equipment (not just larger, or improved, or modified equipment) which may reasonably be expected to result in substantial impact on job assignments, the Company will notify the Union that such technological change will occur and identify the job classifications that may be affected.

## **ARTICLE XX**

---

### **SCOPE OF AGREEMENT**

There shall be vested exclusively in the Company the management of the works and the direction of working forces, as well as other rights and responsibilities, prominent among which, but by no means wholly inclusive, is the right to dismiss or discipline any employee for cause. The foregoing is subject to the other terms of this Agreement and shall not be construed as any legal right of the Union.

# **ARTICLE XXI**

---

## **WORK STOPPAGE**

It is agreed that should any condition lead to a curtailment or stoppage of production, the Union will, at the request of the Company, keep its members engaged on such work on the properties of the Company in connection with the operation of pumps and other machinery which may be necessary or required to protect the properties from destruction or prevent loss of copper in process.

# **ARTICLE XXII**

---

## **SEPARABILITY**

If any provision of this Contract be in conflict with or in violation of any applicable state or federal law, such provisions shall be inoperative and of no effect, but shall not affect the remaining provisions hereof. If there be a dispute between the parties as to the legality of any such provision, its enforcement shall be held in abeyance pending final determination of the matter by the courts.

# **ARTICLE XXIII**

---

## **HEALTH, WELFARE, VISION CARE, PRESCRIPTION DRUG, DENTAL, LIFE INSURANCE AND FSA**

The Company will provide Health-Welfare, Vision Care, Prescription Drug, Dental, Life Insurance and Flexible Spending Account as shown in this Article which includes revisions in the Plans in accordance with the Memorandum of Settlement dated June 30, 2001. These Plans of benefits



will continue in effect until June 30, 2004. However, the benefits provided under "A" and "C" of this Article will be discontinued or reduced to the extent that like benefits are provided under Federal or State Law for which the Company and/or employee may be taxed. Benefits provided under "A" and "C" of this Article shall not be paid if the disease, sickness or injury is compensable under any Workers' Compensation Law or occupational disease law (except Weekly Sickness and Accident Benefits as specified), or for any injury arising out of or during the course of any employment for wage or profit. For details, refer to the Summary Plan Description(s).

#### **A. HEALTH AND WELFARE BENEFITS.**

Subject to rules and regulations of the Plan not in conflict with this Agreement between the Company and the Union, the benefits shall be provided as outlined below.

1. Accidental Death or Dismemberment Benefits (For Employees Only). Death or dismemberment by accidental means due to non-occupational causes, will provide:
  - a) \$29,500 for loss of life.
  - b) \$14,750 for loss of 1 hand or 1 foot or the sight of 1 eye.
  - c) \$29,500 for loss of 2 or more such members.
2. Weekly Sickness and Accident Benefits (For Employees Only).
  - a) \$220.00 per week (\$230.00 per week effective 1/1/2002, \$240 per week effective 1/1/2003, \$250 per week effective 1/1/2004) for 52 week for absences caused by non-occupational;

accidents or sickness; benefits to start the 1st day in case of accidents or hospitalized sickness or outpatient surgery and 6th day in case of unhospitalized sickness.

b) Worker's Compensation Supplement

For any week that temporary and total disability benefits are payable under State Worker's Compensation law, such payments shall be supplemented by an amount equal to the difference (if any) between such weekly payment and the Non-Occupational Weekly Sickness and Accident Benefit, provided that the Company recognizes the disability causing the absence to be work incurred and the disability commenced on or after January 1, 1981. There is no change in the terms or conditions of the Non-Occupational Weekly Sickness and Accident Benefit Plan, including the duration of such benefits, except to provide a Worker's Compensation Supplement.

- c) Benefits will terminate at commencement of benefit payments under the Pension or Permanent and Total Disability Benefit Plans.

3. Preferred Provider Network

The Company has contracted with a Preferred Provider Organization to provide a network of health care providers to Asarco Employees. Employees will retain the option of continuing to secure care on a fee-for-service basis or utilizing the Network. For in-network Medical Expenses, the employee Co-Payment shall be 5%. For out-of-network expenses the employee Co-payment will be 20%. In all other

respects, in-Network coverage will be identical to fee-for-service coverage.

#### 4. Managed Care

The Company has contracted with a Managed Care Organization to implement a pre-certification and utilization review program. This program includes the following:

Pre-Certification for all In-Patient Courses of Treatment;

Continuing Stay Review for all Confinements; and

Case Management including alternative setting reviews and Discharge Planning.

Employees securing In-Patient care on a fee-for-service basis (outside of Network) will be required to contact the Managed Care Organization prior to admission. Claims for In-Patient treatment submitted by employees who have failed to contact the Managed Care Organization will be subject to a per confinement deductible of \$250. Employees obtaining In-Patient care from Network providers need not contact the Managed Care Organization. This program shall include an appeals procedure.

#### 5. Comprehensive Plan

Effective January 1, 2002, all plan participants will be covered by the Comprehensive Plan with the following features:

Design	Comprehensive
Deductibles	\$200 per individual \$400 per family

Co-payments	95%/5% (in-network) 80%/20% (out-of-network)
Annual Stop Loss	\$2,000 aggregate
Lifetime Maximum	\$1,000,000
Contributions	\$5/month Employee \$10/month Employee + one dependent \$15/month Employee + family

Enrollment shall be on an annual basis. However, changes in family status during an enrollment year shall be accommodated with proper notification and documentation. Changes must be submitted within 31 days of the qualifying event. Active full-time employees who elect to opt out of coverage will receive \$25 per month. An employee's decision to opt out is subject to proof of alternative coverage.

Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

All benefits shall be payable on a usual and customary fee basis subject to the annual deductible and co-payment.

#### Definition of Usual and Customary Fees:

- a) Usual — The "usual" fee that is charged for a given service, by an individual physician to the majority of his private patients.
- b) Customary — A fee is "customary" when it is within the range of usual fees charged by physicians of similar training and experience, for the same service within the same specific and

limited geographical area (socioeconomic area of a metropolitan area of a county).

- c) Reasonable — A fee is “reasonable” when it meets the above two criteria, or in the opinion of the responsible medical association’s review committee, is justifiable, considering the special circumstances of the particular case in question.

## 6. Preventive Care

Preventive care will be offered under the current Health Plan and shall include the following services, without having to pay a deductible. Benefits are paid according to a schedule. Coverage is as follows:

### Benefit Schedule:

#### Physical Examinations:

Frequency of exams is based on age: \$150

#### People who are:

Age 61 and over are covered for an annual exam.

Between ages 41 and 60 are covered for an exam every two years.

Between ages 31 and 40 are covered for an exam every three years.

Age 30 and below are covered for an exam every four years.

Screening Exams - One Pap test annually: \$ 30

Sigmoidoscopy: \$225

Once every three years for people age 50 and over

Mammogram: \$135  
Annual for women age 50 and over and one  
mammogram every other year for women age 35  
and over with a first degree relative with breast  
cancer.

Well Baby Care:

Birth (in the hospital after birth) \$ 90

2, 4, 6, or 8 weeks (per visit) \$ 80

4, 6, 9, 12, 15, 18 and 24 months (per visit) \$ 80

Immunizations: The plan pays scheduled benefits  
for immunizations as part of well-baby care for  
infants (EMMR, DPT, Oral Polio, etc.).

## 7. Plan Benefits

- a) Expenses incurred for kidney dialysis provided at home or in a kidney dialysis unit which is not connected with a hospital will be covered to the same extent such services would be covered if the procedure was provided in a hospital.
- b) Expenses incurred for extraction of impacted teeth in the out patient department of a hospital will be covered to the same extent such services would be covered if the extraction was performed as a hospital in-patient.
- c) Expenses incurred for surgery performed in an ambulatory surgical facility will be covered to the same extent such services would be covered if the surgery was performed as an in patient in a hospital.

An ambulatory surgical facility is described as a legally constituted and operated ambulatory care health center (either part of a hospital or otherwise) with permanent plant, equipment and supplies not usually available in a physician's office for surgical or medical care not requiring in-patient confinement.

- d) Temporomandibular Joint Dysfunction (TMJ) services will be covered at 80%. Services provided by an in-network physician will be covered at 95%.
- e) Skilled Nursing Coverage will be provided in a Skilled Nursing Facility. Details of this benefit are included in the Summary Plan Description.
- f) Benefits shall be provided for sterilizations, abortions and transplant procedures, including donor expenses not covered by other plans.

## 8. Limitations

### a) Alcoholism and Drug Addiction

Benefits under any provision of the Plan for treatments received in an accredited treatment center for alcoholism or drug addiction will be limited to two confinements of not more than 30 days each, unless the course of treatment requires additional days (to a maximum of 15 additional days) during a covered individual's lifetime.

b) Chiropractors

Covered Visits

1. Initial consultation.
2. Maximum of 18 visits in any calendar year (excluding initial consultation).

X-Rays

Limited to three x-rays in any 90-day period.

c) Psychiatric Treatments

Non-Hospitalized

Benefits paid on behalf of any covered individual under all provisions of the Plan shall be reimbursed on a 60%/40% Co-Payment basis.

Hospitalized

Benefits paid under any provision of the Plan for expenses incurred as the result of confinement in a hospital for psychiatric treatment shall be limited to two confinements of not more than 30 days each during a covered individual's lifetime.

9. Pensioners' Coverage

Employees who are under age 65 upon retirement date (early retirees) who retire under the comprehensive plan after January 1, 2002 will continue to be covered under the Plan for "active employees" until the employee qualifies for MEDICARE. The spouse of an employee who retires will continue to be covered under the Plan



for "active employees" until the spouse qualifies for MEDICARE. Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

The spouse of an active employee who dies and who is eligible for a Spouse's Pension will continue to be covered for benefits under the Plan for "active employees" until the spouse qualifies for MEDICARE or remarries.

For purposes of qualifying for benefits under this provision, retirement will include employees receiving benefits under the Permanent and Total Disability Benefit Plan and the surviving spouses of such employees.

Coverage for employees retiring under early retirement provisions of the Pension Plan or those qualifying for Permanent and Total Disability Benefits will be extended to dependent children in addition to the employee's spouse. Dependent coverage for early retirees will be limited to existing eligible dependents on the effective date of retirement; and subsequently wed spouses and natural children born of that marriage and grandchildren who become dependents of the retirees as the result of the death of both parents of the grandchildren.

## 10. Eligibility Requirements

The following eligibility requirements for the Plan of Health and Welfare Benefits shall apply:

- a) New employees shall become eligible on the 91st calendar day following date of their employment

Coverage for employees and dependents hospitalized or under care for illness or injury on the effective date of coverage shall be extended to comply with the Health Insurance Portability and Accountability Act (HIPAA).

- b) Employees who are sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- c) Employees who are sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 36 months.
- d) Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave became effective. Employees on leave of absence for Union business shall remain eligible during the first twelve months of such leave of absence. If such leave of absence is extended by the Company such employees may continue to be eligible, provided they pay the full cost of such coverage.
- e) In the event an employee is discharged by the Company and there is a dispute as to whether or not the discharge was justified, the Company shall continue the benefits under the Plan for such employee until the case is finally resolved, but not exceeding 90 days.
- f) In the event an employee stops work due to a strike, all benefits under the Plan, other than Weekly Sickness and Accident Benefits, shall

continue for the duration of such strike, provided the employee shall pay the required premium during the strike. During the strike, Weekly Sickness and Accident Benefits shall not be continued but benefits thereunder will be payable if total disability commenced prior to the strike.

- g) The provisions of paragraphs a, b and c above, shall not apply in any case where this Agreement contains a specific provision covering the matter which is more favorable to the employee.

## 11. General Provisions

### a) Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Plan is as follows:

The employee's spouse and the following categories of unmarried children less than 19 years of age, provided such individuals are not employed by Asarco:

Category A — The employee's natural children.

Category B — The employee's legally adopted children (including a child living with the adopting parents during the period of probation) and those for whom the employee is legal guardian. All cases must be submitted to the Corporate office for approval.

Category C — Stepchildren (i.e., the natural children of the employee's spouse) residing in the employee's household and supported solely by the employee. All cases must be submitted to the Corporate office for approval.

Category D — Children for whom coverage is required under a Qualified Medical Child Support Order (QMCSO). All cases must be submitted to the Corporate office for approval.

The Plan shall also include employee's children 19 years of age or more but less than 25 years of age provided such child is unmarried, dependent upon the employee for support and maintenance and is attending an accredited school or university on a full-time basis. The employee must provide supporting documentation semi-annually.

Children in the above categories who are totally disabled are covered under the Plan, regardless of age, for as long as they are dependent upon the employee for support and maintenance provided they became totally disabled prior to age 19 and were eligible for coverage as a dependent child prior to attaining age 19. For purposes of qualifying as disabled, dependent children must be certified by the Asarco Corporate Medical Director, as suffering from an injury or illness which prevents them from living independently from their parents and obtaining gainful employment. Coverage for disabled children will continue until both parents qualify for MEDICARE or otherwise lose coverage through the Asarco Health Plan.

Persons, other than those described in the foregoing, are not included as dependents. Changes must be submitted to the unit Human Resources office within 31 days of the qualifying event.

b) Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Health Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance plan or group pre-payment plan.

In the event a covered dependent under the Asarco Health Plan is, shall become, covered, or eligible for coverage, under any group insurance or prepayment plan, benefits under the Asarco Health Plan shall be secondary to the benefits provided or available under such other plan and aggregate benefits that would have been payable under both plans may not exceed benefits that would have been payable under the Asarco Health Plan.

This provision does not apply to benefits payable for the account of active employees eligible for Medicare when such active employees elect the Asarco Health Plan as primary payer of medical benefits for themselves including their covered dependents.

Expenses and benefits which are recovered by legal action or settlement are not covered under any provision of the Asarco Health Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Health Plan which is recovered by legal action or settlement.

Employees are required to notify Asarco promptly of the fact of such legal action, and of a judgment or settlement in favor of the

employee (or covered dependent) and make available all information relevant to the administration of any provision of the Plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Health Plan benefits.

c) Benefit Booklets

Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefit provided under the Plan will cease on the date that the employee leaves the service of the Company, except that benefits will be paid in connection with claims which were incurred prior to such date.

d) Audit of Hospitals Bills

Employees will be paid one-third (1/3) of any savings which results from their discovery and report of hospital billing errors with a \$250.00 maximum payment to the employee per confinement. The only exceptions to this audit feature are bills for care received at a participating Preferred Provider hospital. Due to the discounted fee arrangement at Preferred Provider hospitals, employees will be unable to audit bills received from such providers.

## **B. VISION CARE.**

Employees, early retirees and their eligible dependents shall be covered under the Asarco Health Plan. Details of the vision care benefits are included in the Summary Plan Description, a copy of which is provided to each employee.

Effective January 1, 2002, reimbursement for lenses under the vision care coverage will be increased \$25 in total for each two-year period under the plan.

## **C. PRESCRIPTION DRUG CARD PLAN.**

Employees and early retirees who desire prescription drug coverage for themselves and/or their dependents shall have the option of participating in the Prescription Drug Program or to opt out. There will be an annual enrollment period during which employees will be given the opportunity to enroll in the Prescription Drug Card Program. If employees choose to opt out of the Drug Card Program, prescription drugs will not be recognized under the Health Plan, except for drugs which are dispensed in the hospital, while the plan participant or dependent is receiving emergency or in-patient treatment.

Employees and early retirees who enroll in the Prescription Drug Card Plan are subject to the following monthly contributions:

\$ 3/month per single employee

\$7/month per employee with one dependent

\$11/month per employee and family

Enrollment shall be on an annual basis. Changes in family status during the enrollment year shall be accommodated. Changes must be submitted within 31 days of the qualifying event.

Brand Name prescriptions filled at a participating retail pharmacy will be covered at 80%. Generic prescriptions filled at a participating pharmacy will be covered at 90%. Mail order prescriptions (maintenance drugs) will be paid at 100%. No deductibles or medical forms to file.

In all other respects, the terms of the Prescription Drug Card Program shall remain unchanged.

#### **D. DENTAL BENEFITS.**

Subject to rules and regulations of the Plan, the benefits shall be provided for active full-time employees and their eligible dependents as outlined below.

##### **1. Usual and Customary Fee Coverage**

The Plan shall provide benefits on a usual and customary fee basis as follows:

- a) 100% of usual and customary charges for preventive services such as oral examinations, teeth cleaning and space maintainers for children under 19 years of age.
- b) 85% of usual and customary charges for most other dental procedures.
- c) 50% of usual and customary charges for bridgework and dentures.
- d) 50% of usual and customary charges for orthodontic diagnosis and treatment for children under 19 years of age (maximum lifetime benefit of \$650.00 per individual).
- e) The maximum benefit for expenses incurred during any calendar year under "a", "b" and "c" above shall be \$1,000 per individual.



- f) A deductible of \$15 per covered individual will be applied each calendar year.

## 2. Definition of Usual and Customary Fees

- a) Usual — The “usual” fee is that fee which the individual dentist or physician most frequently charges the majority of his private patients for a given service rendered or supply furnished.
- b) Customary — A fee is “customary” when it is within the prevailing range of fees charged by dentists or physicians of similar training and experience, for the same service rendered or supply furnished within the same area (metropolitan area, county or such greater area as is necessary to obtain a representative cross-section of dentists’ or physicians’ fees).
- c) Reasonable — A fee is “reasonable” when it meets the above two criteria or is justifiable, taking into consideration unusual circumstances or complications requiring additional time, skill and experience in connection with particular dental service or procedure in question.

## 3. Eligibility Requirements

The following eligibility requirements for the Dental Plan shall apply:

- a) New employees shall become eligible on the day following the completion of one year of Company service.
- b) Employees who become sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding six months.

- c) Employees who become sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- d) Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave of absence became effective. Employees on leave of absence for Union business shall remain eligible under the Plan for lesser of the duration of such leave or 12 months.

#### 4. General Provisions

- a) Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Dental Plan is the same as the Health Plan.

- b) Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Dental Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance or group pre-payment plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Dental Plan benefits.

Dental expenses which are recovered by legal action or settlement are not covered under any provision of the Asarco Dental Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Dental Plan which are recovered by legal action or settlement.

- c). Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefits provided under the Plan will cease on the date that the employee retires, dies, or otherwise terminates active employment with the Company.

## **E. LIFE INSURANCE BENEFITS.**

Subject to rules and regulations of the Plan, the benefits shall be provided as outlined below.

### **1. Active Employees**

Effective July, 1, 2001, \$29,500 of coverage shall be provided for each active employee after 91 days of employment.

The Plan shall include the following provisions:

- a) Waiver of premiums in event of disability at any age.
- b) Extended benefits for a period of 31 days.
- c) Conversion rights within 31 days.
- d) Active employees shall be allowed to purchase at cost, supplemental life insurance for themselves and dependent life insurance for their spouses

and children. Employees are responsible for payment of these premiums.

2. Retired Employees.

*Upon retirement under the Company's Retirement Plan, the amount of coverage to be continued without cost to the employee will be \$4,000.*

**F. FLEXIBLE SPENDING ACCOUNTS.**

Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$2400 for uncovered medical, vision and dental expenses, with a minimum contributed of \$240 required. Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$4,800 for dependent care, with a minimum contribution of \$480. For detailed information concerning Flexible Spending Accounts refer to the Summary Plan Description.

**G. COSTS.**

During the term of this Agreement ending June 30, 2004, the Company will pay the cost of all benefits outlined in this Article, including any increase required for such benefits (with the exception of all monthly contributions, deductibles, co-pays and supplemental/dependent life insurance contributions as described in this Article).

## **ARTICLE XXIV**

### **SECURITY AND SEVERANCE PLAN**

The established Security and Severance Plan shall remain in effect in accordance with the following outline of provisions, subject to the detailed Plan:

## **FORMULA:**

1% of Average Annual Earnings times Years of Service, plus \$30.00 times Years of Service (Annual Earnings: Straight time hourly earnings which shall exclude all pay premiums of whatever nature, for the twelve consecutive calendar months immediately preceding date of layoff, retirement, or death, divided by the straight time hours worked, multiplied by 2,080 hours.)

Effective July 1, 1986, Security and Severance Plan Benefit calculations shall not be reduced by any Wage Reductions negotiated.

Hires, or rehires, on or after July 1, 1983, shall be limited to a \$7,500 maximum (lifetime) amount accrued by Formula.

## **ELIGIBLE:**

All employees upon completion of two (2) Years Service. (All "Years Service" shall be based on the Plant's Seniority List.)

## **PAYMENTS:**

Laid Off Employees (for lack of work only): After 14 calendar days on layoff, \$75 per week until either:

- (a) Employee is recalled.
- (b) Exhaustion of his amount accrued by Formula. In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to an employee with ten (10) or more years of service at the commencement of layoff, provided layoff commenced prior to July 1, 1986 (otherwise, this provision is eliminated effective July 1, 1986). In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to eligible

employees during weeks for which the employee receives State Unemployment Compensation benefits. For employees laid off on or after July 1, 1983, but prior to July 1, 1986, the additional non-deductible weeks (up to 12 weeks) shall only apply to laid off benefits paid after the employee has exhausted his State Unemployment compensation benefits or is not otherwise employed. If otherwise employed, such payments for the twelve weeks shall be deducted from his amount accrued by Formula.

(c) 52 weeks whichever first occurs.

In the event of (c) and an amount accrued remains, the employee shall have the option of: the remaining amount continuing on accrual; or receiving the remaining amount accrued in a lump sum payment.

Payments shall be made without regard to:

- (1) Any other benefit or payment received by the employee.
- (2) His employment status except as covered in (a) above.

An employee laid off, recalled before (b) occurs, and subsequently laid-off, shall have an accrued amount based on total years of service (figured to nearest complete calendar quarter) less total deducted payments received.

Pension Employees: At date of retirement under Company's Retirement Plan, or on the date of his established eligibility for benefits under the Company's Plan of Permanent and Total Disability benefits, the employee shall have the amount accrued by Formula less total payment received, if any.

Retirement payments shall reflect only laid off benefit payments deducted.

**Death of an Employee:** Upon the death of an employee his designated beneficiary shall receive an amount determined by Formula based on the employee's status at date of death. Death payments shall reflect only laid off benefit payments paid.

Employees separated for any reason other than lay-off, retirement, permanent and total disability or death shall not receive any payments.

All payments provided hereunder shall be subject to statutory deductions or withholdings.

## **ARTICLE XXV**

---

### **401(k) Plan**

All employees who have completed thirty (30) days of service shall be eligible to participate in the 401(k) Savings Plan. Employees may contribute up to 19% (or the Federal allowable maximum) of their earnings into the Plan. The Company will match 50% of the employees' contributions, up to the first 6%. Employees should refer to the 401(k) Plan Summary Plan Description for details of the Plan. The provisions of the Plan will not be subject to the grievance and arbitration provisions of the collective bargaining agreement.

All loan origination fees and loan service charges (\$30 and \$10 respectively), as set by the Fund Managers, shall be the responsibility of the employees requesting the loan. If the amount of such fees increase, such increases shall not be passed on to the employee during the period of the contract.

Company matching contributions for participants who attain age 64 shall be transferable.

## ARTICLE XXVI

---

### TRANSFER RIGHTS PROGRAM

#### Section 1.

A. Any employee of an existing organized plan of ASARCO Incorporated located in the States of Arizona or Texas, hereinafter "home plant," who is either permanently laid off on or after the date established by the Company for the commencement of a permanent plant shutdown and is not eligible for an immediate pension, or has otherwise been indefinitely laid off for a period of six months or more, and who at the time of the layoff, either permanent or otherwise, has attained 3 years or more of service with the Company, shall be given priority over other applicants (new hires) for job vacancies (other than temporary vacancies) at any other existing organized plant (acquiring plant) of ASARCO Incorporated located in the states referenced above, provided the employee:

1. Is qualified to perform the job (ability and both mental and physical fitness), and
2. Successfully passes a medical examination, to the satisfaction of the Company. (The requirement to successfully pass a medical examination shall be limited to those employees who have been on layoff for a period of six months or more). Such medical examination may be taken at the employee's home plant. An employee who fails the medical examination and who later passes such examination to the satisfaction of the Company shall be reinstated



for consideration for transfer, provided he still retains recall rights and is otherwise eligible for transfer under this program.

The job vacancies for which employees shall be eligible under this provision shall be only those that are not filled from the particular plant in accordance with the seniority provisions of the Labor Agreement thereat, and in those classifications represented by the Union.

- B. Any such employee hired at an acquiring plant in a maintenance classification above Helper shall be subject to a probationary period of 30 working days. In the event such employee is disqualified, he shall be terminated at the acquiring plant and returned to the recall list at his home plant, provided that recall rights have not otherwise expired. In the event the employee is laid off from the acquiring plant within twelve months of his date of entry thereat, he shall be returned to the recall list of his home plant, provided that recall rights have not expired. If the employee is laid off from the acquiring plant more than twelve months after his date of entry thereat, he shall have recall rights only at that plant and shall forfeit any recall rights he may have at his home plant. Further, if after the probationary period has expired, the employee is discharged for cause, his recall rights at the home plant shall be similarly forfeited. If an employee hired at an acquiring plant, upon being offered recall at his home plant, elects to return to his home plant according to his seniority, he shall be deemed a quit at the acquiring plant and shall be entitled to no further preferential hiring rights under this program.
- C. An employee shall be given such priority only if he files with the management of the shutdown or home plant a written request for such employment, in accordance with

the procedure established by the Company, specifying the other plant or plants at which he would accept employment.

- D. Job vacancies covered under this program shall be offered to qualified applicants on the basis of Company wide service. Seniority at the acquiring plant shall accrue beginning on the employee's date of entry at that plant. Company wide service acquired prior to the employee's date of entry at the acquiring plant shall not be recognized thereat for seniority purposes.
- E. An employee laid off who is offered and who accepts a job at another Asarco property in accordance with the foregoing provisions will report for work there within one month from notification of job availability. The Company has the right to fill such vacancy until the transferee reports for work.
- F. If an employee has been laid off for 18 months, or if he rejects a job offered to him under these provisions, or if he does not respond within the time required by this Section to such offer directed to his last place of residence as shown on the written request referred to in paragraph (C) above, his name shall be removed from those eligible for priority hereunder.

## Section 2.

Employees transferred hereunder shall be treated as follows for the purpose of administering the Benefits specified below.

In all other respects the various Benefit Plans in effect at the acquiring plant shall remain unchanged, and in no event, shall there be any duplication of Continuous Service credit or Benefit Accrual or coverage as a result of the application of any provision of this Agreement.

- A. Waiting periods in effect at the acquiring plant for eligibility purposes only, shall be waived in respect to the following:

Death Benefits

Accidental Death or Dismemberment Benefit

Weekly Sickness and Accident Benefit

Hospital-Medical-Surgical-Vision-Prescription Benefit

Dental Benefit

- B. Pension Plan and Permanent and Total Disability Benefit Plan

1. Pension Plan

- a) Continuous Service: Continuous Service accrued at the shutdown or home plant shall be counted toward meeting the service requirements for vesting and eligibility under the provisions of the Plan in effect at the acquiring plant.
- b) Accrual of Benefits: Accrual of Pension Benefits subsequent to date of transfer shall be based on Continuous Service after such date and the terms and conditions, including but not limited to benefit levels, of the Plan in effect at the acquiring plant. Accrual of Pension Benefits for continuous service at the shutdown or home plant shall be determined for Plan participants in accordance with the benefit levels and other terms and conditions of the Plan in effect at the shutdown or home plant at the time of transfer.

## 2. Permanent and Total Disability Benefit Plan

Continuous Service accrued at the shutdown or home plant shall be counted toward meeting the service requirement of the Permanent and Total Disability Plan at the acquiring plant. To determine the "unreduced benefit," that is, the amount produced by application of the appropriate Pension Plan formula and limiting provisions, the provisions of paragraph 1(a) and (b) above shall apply.

## C. Security and Severance Plan:

Where such Plan is in effect at the acquiring plant:

1. The waiting period for eligibility shall be waived.
2. Service at the acquiring plant shall be based upon service on and after date of transfer and Benefits attributable to such service will accrue in accordance with the Benefit formula and subject to the terms and conditions of the Plan at the acquiring plant, including but not limited to those applicable to LAID OFF PAYMENTS.
3. The accrued amount under the Plan in effect at the shutdown or home plant and attributable to service thereat, less deductible payments therefrom, shall be determined and carried over as a "credit" subject to being paid out in accordance with the provisions of the Plan at the acquiring plant.

## D. Vacation Policy:

For the purpose of Vacation Policy administration

1. The eligibility and qualification requirements and benefit levels of the acquiring plant apply, however, prior service at the shutdown or home plant shall be

allowed for determining continuous service requirements.

2. Vacation Bonus entitlement, if such exists at the acquiring plant, shall be similarly applied.

It is understood and agreed that, where the bargaining unit of the acquiring plant to which an employee is transferred under this Agreement is represented by a labor organization not signatory to this Agreement, the special treatment described in paragraphs A through D above as applicable to benefits at such acquiring plant shall not be made effective unless and until the concurrence of the duly designated representative is obtained.

### Section 3.

- A. The Company will maintain separate listings of applicants from each shutdown or home plant who have filed a written request with management under section 1, (C). The Company will provide a list of these applicants for transfer to the individual designated by the local Union(s), in writing, at the respective shutdown or home plants and to the respective Industrial Relations Manager and individual designated by local Union(s), in writing, at plants that are in a hiring mode. The Company will further provide written notice to the individual designated by the local Union(s), in writing, of the acquiring plant, or his designee, of the occurrence of any vacancy being filed under this program. The Company will further notify, by certified mail, employees who are not considered qualified.
- B. The right to file a grievance under this program shall be limited to the qualified employee with the greatest Company service denied the right to transfer to a particular vacancy, except, that disqualification of such

employee for medical reasons shall not be a proper subject for the grievance and arbitration procedure. Said grievance must be filed within 20 days of the date on which the Company notifies the individual designated by the local Union(s) that the vacancy in question was filled. Said grievance must be filed at the acquiring plant in the last step of the grievance and arbitration procedure.

- C. The operation of this Transfer Rights Program will be subject to periodic review by a representative or representatives appointed by the Company and the Union, respectively, in equal numbers, who shall meet as necessary to review the operation of this Transfer Rights Program. The Company shall supply to these representatives pertinent information relating to the operation of this Transfer Rights Program. The function of these representatives is to review any problems that arise as the result of the administration of this Transfer Rights Program and to make recommendations to the parties for the solution of such problems.
- D. If any eligible laid-off employee or the Union requests information concerning job opportunities, expected hiring dates and pre-employment requirements at another plant covered by this Agreement, the Plant will promptly communicate with such other plant and, upon receipt of reply, pass on this information to such laid-off employee and the Union, if not viewed as privileged or confidential by the Company. This will not guarantee employment because employment needs are not precisely predictable, nor will it create any obligation on the part of either plant, but is a service which should be beneficial to a laid-off employee genuinely seeking other employment within the Company.

#### Section 4.

The transfer rights under this program are subject to applicable law and other contractual or legal requirements that are, or become, binding upon the Company.

#### Section 5.

This Transfer Rights Program shall be effective July 1, 1989.

#### Section 6.

Notwithstanding anything to the contrary in the Collective Bargaining Agreements or the Transfer Rights Program, any employee who transferred from his "home" plant to an "acquiring" plant shall have a one-time opportunity to return to his home plant to fill an available position. A position is "available" only if no employees remain on layoff from the home plant who would have recall rights to that position and the position otherwise would be filled by a new hire. This opportunity must be exercised during the first thirty-six (36) months after leaving the home plant and is subject to the terms of the Transfer Rights Program except as modified herein. If more than one employee seeks return to the same position, the senior qualified employee will have priority.

IN WITNESS WHEREOF the parties hereto have executed  
this instrument as of the day and year first above written.

ASARCO Incorporated  
HAYDEN PLANT

John Shaw  
Joe Wilhelm  
Jerry Banky  
Joyce Morris  
Gene Coryell  
James Murphy  
Date: 07/01/01

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS - LOCAL 518

Ronald Chesley  
Harold Eaton  
Paul Calderon  
Bernardino Cruz  
Harold Ortiz  
Date: 07/01/01



**IBEW HAYDEN PLANT WAGE SCALE**  
**"Schedule A"**

<u>Hired On/After 5/22/95</u>	<u>Grade</u>	<u>4/1/01</u>	<u>7/1/02*</u>	<u>7/1/03</u>
With 2080 hours completed	01	14.085	14.585	15.085
With 2080 hours completed	02	14.63	15.13	15.63

<u>Hired Before 5/22/95</u>	<u>Grade</u>	<u>4/1/01</u>	<u>7/1/02</u>	<u>7/1/03</u>
	01	15.84	16.34	16.84
	02	16.15	16.65	17.15
	03	16.26	16.76	17.26
	04	16.46	16.96	17.48
	05	16.67	17.17	17.67
	06	16.88	17.38	17.88
	07	17.09	17.59	18.09
	08	17.30	17.80	18.30
	09	17.50	18.00	18.50
	10	17.71	18.21	18.71
	11	17.92	18.42	18.92
	12	18.12	18.62	19.12
	13	18.33	18.83	19.33
	14	18.54	19.04	19.54
	15	18.75	19.25	19.75

07/1/01

Multi-Skill	14 + \$.50	19.04	19.54	20.04
(1 additional skill)				
Multi-Skill	14 + \$1.00	19.54	20.04	20.54
(2 additional Skill)				
Head Multi-Skill	15 + \$.50	19.25	19.75	20.25
(1 additional Skill)				
Head Multi-Skill	15 + \$1.00	19.75	20.25	20.75
(2 additional Skills)				

## APPRENTICE

1 <sup>ST</sup> Period	Grade 5
2 <sup>nd</sup> Period	Grade 5
3 <sup>rd</sup> Period	Grade 6
4 <sup>th</sup> Period	Grade 7
5 <sup>th</sup> Period	Grade 9
6 <sup>th</sup> Period	Grade 10
7 <sup>th</sup> Period	Grade 11
8 <sup>th</sup> Period	Grade 12

The hiring rate for *Laborer Classification* shall be \$2.00 per hour less than the *Contract Laborer* rate for the first 1,040 hours worked and \$1.00 per hour less than the *Contract Laborer* rate for the next 1,040 hours worked.

\* Current hourly wages rates will be increased \$.50 across the board effective either (1) the beginning of the first payroll period after which the average COMEX price of copper is \$1.00 per pound or more for thirty (30) consecutive days; or (2) July 1, 2002, whichever comes first.

Hourly wage rates will be increased an additional \$.50 across the board effective July 1, 2003.

# O<sub>2</sub> Plant Power House Water Treatment Plant

Pay Grade

15

Head Operator \*

14

Oxygen Plant Operator

12

Power House Operator

11

Water Treatment Plant  
Operator

8

Filter Plant Operator

5

Utilityman/Helper

1

Laborer

\* Must be able to operate  
all plants

# Hayden Electrical

## Pay Grade

15 + \$1.00

Head Electrician/AC/Tech

15 + \$.50

Head Electrician/Tech

15 + \$.50

Head Electrician/AC

15

Head Electrician

14 + \$1.00

Electrician/AC/Tech

14 + \$.50

Electrician/Tech

14 + \$.50

Electrician/AC

14

Electrician

Varies

Apprentice

K# 2589

**2001-2004**

**SILVER BELL  
MINNING, LLC**

*Labor  
Agreement*

85 pages

# **AGREEMENT**

*Between*

**SILVER BELL MINING, L.L.C.**

*And*

**United Steelworkers of America  
LOCAL UNION NO. 937, AFL-CIO**

**Effective July 1, 2001**

# TABLE OF CONTENTS

Article	Page
PREAMBLE .....	1
I RECOGNITION .....	1
II NON-DISCRIMINATION .....	1
III RIGHTS OF MANAGEMENT .....	2
IV CHECK-OFF AND ASSIGNMENT FORM .....	2
V DEFINITION OF EMPLOYEE .....	2
VI HOURS OF EMPLOYMENT .....	3
A. Starting Time and Designation of Shifts .....	3
B. Workshift .....	3
C. Reporting Time .....	4
D. Overtime and Premium Pay .....	4
1. Work in Excess of Forty Hours in Work Week .....	4
2. Work on 6th and 7th Day of Scheduled Work Week .....	5
3. Work in Excess of Eight Hours in Work Day .....	5
4. Call Out .....	5
5. Emergency Meals .....	6
6. Unscheduled Overtime .....	6
E. Shift Premium Pay .....	6
F. Work on Higher Rate Jobs .....	7
G. Positive Relief .....	7

# TABLE OF CONTENTS (Continued)

Article	Page
VII EXTENDED SHIFT SCHEDULES .....	8
A. Implementation .....	8
B. Overtime .....	8
C. Shift Differential .....	9
D. Vacations .....	9
E. Holidays .....	9
F. Jury Duty .....	9
G. Bereavement Pay .....	10
H. On-The-Job Injuries .....	10
VIII RATES OF PAY AND WAGES .....	10
IX VACATIONS .....	11
A. Vacation Periods and Pay .....	11
B. Vacation Eligibility .....	12
C. Time of Vacation Payments .....	13
D. Vacation Bonus .....	14
X HOLIDAYS .....	15
A. Designated Holidays .....	15
B. Holidays Not Worked .....	15
C. Holidays Worked .....	17
D. Computation of Wages .....	17
XI LEAVES OF ABSENCE .....	17
A. Leave of Absence .....	17
B. Bereavement Pay .....	17
C. Encampment Pay .....	18
D. Jury Duty .....	19
E. Union Leave .....	19



## TABLE OF CONTENTS (Continued)

Article	Page
XII NO STRIKE; NO LOCKOUT .....	19
XIII SENIORITY .....	21
A. Probationary Period .....	21
B. Recognition of Seniority .....	21
C. Promotions .....	22
D. Voluntary Demotion .....	25
E. Supervisory Employees .....	26
F. Loss of Seniority .....	26
G. Reduction if Force .....	27
H. Re-employment After Lay-Off .....	27
I. Seniority Lists .....	28
J. Qualifications .....	28
XIV GRIEVANCE PROCEDURE .....	28
A. Definition of Grievance .....	28
B. Definition of Grievance Committee .....	28
C. Presentation of Grievance .....	29
D. Appeal to Arbitration .....	30
E. Selection of Arbitrator .....	30
F. Rules of Arbitration .....	31
XV MISCELLANEOUS PROVISIONS .....	31
A. Temporary Reassignment to Lower Rate Jobs .....	31
B. Intoxication, Unexcused Absence and Violation of Safety Rules .....	32
C. Notification of Disciplinary Lay-Off or Discharge .....	32
D. No Discrimination or Coercion .....	32
E. Bulletin Boards .....	32

# TABLE OF CONTENTS (Continued)

Article	Page
F. Physical and Medical Examination .....	33
G. Personal Tools .....	33
H. Written Notice .....	33
I. Validity .....	33
J. Rules of Conduct .....	34
K. Technological Change .....	34
XVI SAFETY AND HEALTH .....	34
XVII COST OF LIVING .....	39
XVIII HEALTH-WELFARE, VISION CARE, PRESCRIPTION DRUG, LIFE INSURANCE AND FSA BENEFIT PLANS .....	39
A. Health and Welfare Benefits .....	40
B. Vision Care .....	53
C. Prescription Drug Card Plan .....	54
D. Dental Benefits .....	55
E. Life Insurance .....	58
F. Flexible Spending Accounts .....	59
G. Cost .....	59
XIX 401(k) PLAN .....	60
XX SECURITY AND SEVERANCE PLAN .....	60
XXI DURATION OF AGREEMENT .....	63
Appendix: Transfer Rights .....	65
Exhibit A: Wage Rates .....	74
Exhibit B: Lines of Promotion .....	77

# **ARTICLE OF AGREEMENT**

---

## **Preamble**

This Agreement, made and entered into this 1st day of July, 2001, by and between Silver Bell Mining, L.L.C., Pima County, Arizona, hereinafter referred to as "the Company", and the United Steelworkers of America, AFL-CIO, hereinafter referred to as "the Union".

## **ARTICLE I**

---

### **Recognition**

The Company hereby recognizes the Union as the exclusive bargaining agency for all employees of said Company's Silver Bell Mining, L.L.C., who come under the jurisdiction of the Union for the purpose of collective bargaining.

Grievances as defined in Article XIV of this Agreement may be adjusted, withdrawn, settled, or arbitrated by the Union in accordance with the provisions contained therein.

## **ARTICLE II**

---

### **Non-discrimination**

The Company and the Union agree that there shall be no discrimination because of race, color, creed, age, sex, national origin, disability or status as a disabled veteran or veteran of the Vietnam Era.

## **ARTICLE III**

---

### **Rights of Management**

The management of the plant and the direction of the working force and all other functions of management are reserved to and vested exclusively in the Company subject only to the expressed specific terms of this Agreement.

## **ARTICLE IV**

---

### **Check-Off and Assignment Form**

The Company, for such employees who execute individual written assignment therefore, shall deduct from the earnings for the first payroll period of each month, union dues in the amount established by the Union and remit promptly to the International Secretary-Treasurer of the United Steelworkers of America, P.O. Box 98517, Chicago, Illinois 606093.

An initiation fee of the Union, in an amount established by the Union, shall be made on one occasion only and deducted in the same manner as their Union dues.

Deductions (union dues and initiation fees) will be made only after all deductions required for Federal Social Security, State and Federal Withholding Tax.

## **ARTICLE V**

---

### **Definition of "Employee"**

The term "employee" as used in this Agreement shall include all production and maintenance employees of the Company at its Silver Bell Mining, L.L.C., but excluding office, clerical and technical employees, guards and watchmen, professional

employees and supervisors. Excluded personnel shall not perform duties in occupational classifications covered by this Agreement except (1) to instruct or train an employee, (2) in an emergency, and (3) for experimental purposes.

## **ARTICLE VI**

---

### **Hours of Employment**

#### ***A. STARTING TIME AND DESIGNATION OF SHIFTS***

The regularly scheduled work week shall commence with the day shift on Sunday and end at the commencement of the same shift on the following Sunday. The starting time of the first or day shift shall be 5:00 to 8:00 A.M. The starting time of the second or afternoon shift shall be 1:00 to 4:00 P.M. The starting time of the third or night shift shall be 9:00 P.M. to 12:00 A.M.

Nothing contained in the Agreement shall be construed as a guarantee of work or of any particular schedule.

An employee's scheduled work week is established from time to time by a notice posted no later than noon on Friday. The employee's schedule may be changed during the work week; however, it may not be changed for the sole purpose of avoiding weekly overtime.

An employee required to work on his scheduled day off shall not be required to lay off on another of his scheduled work shifts during the same work week.

#### ***B. WORKSHIFT***

1. For employees assigned to a regular operating crew on rotation with other crews, the work shift shall constitute a period of eight (8) hours. Employees

will be permitted to eat lunch while on duty.

2. The work shift for employees not assigned to a regular rotating shift shall constitute two approximately equal periods totaling eight (8) hours separated by a lunch period of one half (1/2) hour during which the employee is relieved of all duty.
3. When employees in the same classification which runs more than one shift are regularly required to perform the same duties on more than one shift, they shall be rotated on an equal basis.

### ***C. REPORTING TIME***

An employee reporting for work on his regular shift and sent home through no fault of his own shall receive a minimum of six (6) hours at his regular straight-time hourly rate provided the Company shall not be responsible for lack of work for reasons beyond its control.

Employees who are unable to report for work at their regular shift time shall give as much advance notice as possible to their Supervisor or the Company office unless it is impossible to do so. Employees who fail to give notice to the Company that they will be absent as hereinabove set forth, even though the reason might be otherwise excusable, may be subject to discipline by the Company.

### ***D. OVERTIME AND PREMIUM PAY***

#### **1. Work in Excess of 40 Hours in Work Week**

All time worked by an employee in excess of forty (40) hours in any work week for which overtime has not already been paid, shall be paid for at time and one-half, but there shall be no pyramiding of overtime pay.

## **2. Work on 6th and 7th Day of Scheduled Work Week**

In the event an employee works six (6) days in the regularly scheduled work week, such employee shall receive time and one-half for the sixth day, and in the event an employee works seven (7) days in the regularly scheduled work week, he shall receive double the regular rate of pay for such seventh day; provided that work of four (4) or more hours duration performed on any shift that is not a continuation of a previous shift shall constitute a working day for the purpose only of determining a sixth or seventh day; but this shall not result in any premium pyramid of whatever type.

## **3. Work in Excess of 8 Hours in Work Day**

All time worked by an employee in excess of eight (8) hours in any work day shall be paid for at time and one-half, except when such excess work results from extra or makeup work requested by the employee as an accommodation, or is occasioned by changes in shifts from day to afternoon or night, or vice versa, or when swing men's regular assignments are assigned so as to require them to work two shifts in any twenty-four hour period.

## **4. Call Out**

Any employee called out between regular shifts shall be paid at time and one-half for such excess work with a minimum payment of five (5) hours at his regular rate.

An employee required by the Company to begin work in advance of and consecutive with his regular starting time shall not be required to lay off in

advance of his regular quitting time in lieu thereof. Such work in advance of his regular starting time shall not be construed to be a "call out", provided the employee is notified to report early by the end of his prior shift.

#### **5. Emergency Meals**

When an employee works emergency overtime consecutive with his regular work shift, the Company will provide a meal approximately two (2) hours after the beginning of the overtime period. An employee who works a double shift, that is, an additional eight (8) hours consecutive with his regular work shift, and who makes a request at the beginning of the second shift will be provided a second meal approximately six (6) hours after the beginning of the overtime period.

When an employee is called out for emergency work, the Company will provide a meal approximately four (4) hours after the beginning of the call-out period.

In the event an employee elects to waive his emergency lunch(meal and time), he will receive \$10.00 additional compensation.

#### **6. Unscheduled Overtime**

The procedure for the equitable distribution of unscheduled overtime is set forth in a letter of administration on overtime and overtime distribution.

#### ***E. SHIFT PREMIUM PAY***

Employees working shifts other than the day shift will receive the following compensation in addition to their regular



straight-time rate of pay:

1. For work performed on afternoon, or 2nd shift, thirty cents (.30) per hour.
2. For work performed on night, or 3rd shift, forty-five cents (.45) per hour.
3. For work performed during workshifts which overlap any of the customary day, afternoon or night shifts, the overlapping time shall be paid at the shift premium rate applicable to the shift overlapped.

#### ***F. WORK ON HIGHER RATE JOBS***

Whenever an employee works 30 minutes or more on a job that has a higher pay rate, he shall receive one hour at the higher rate, or if he works more than one hour on a higher rate job, he shall be paid the higher rate for the actual time worked. Whenever an employee works four (4) hours or more on a job that has a higher pay rate, he shall receive the higher rate for the full shift.

#### ***G. POSITIVE RELIEF***

All pit employees will report to the change house for assignment fifteen (15) minutes prior to their scheduled shifts. The Company will pay fifteen (15) minutes straight time pay each day for such report. Employees will be paid fifteen (15) minutes at time and one-half on the day a safety meeting is held prior to travel to the pit. Travel time into the pit will not be considered as time worked for overtime purposes except van drivers who transport pit employees into the pit.

In the event more than twelve (12) minutes pass before an individual in pit operations is returned to the change house from his/her work station at the end of the shift, he/she will

be paid overtime for the actual time in excess of twelve (12) minutes based on the nearest 1/10 hour (for positive relief purposes only).

The Company reserves the right to determine whether to use or discontinue positive relief in the mine operations. If the Company decides not to use positive relief the employees will report to the change house at the start of the shift and will be returned to the change house by the end of their shift.

## **ARTICLE VII**

---

### **Extended Shift Schedules**

#### ***A. IMPLEMENTATION***

If the Company and Union decides an extended shift schedule is consistent with the needs of the operation for a particular department or natural work group, the Company will provide the Union with a copy of the proposed work schedule. The proposed schedule will be adopted if the unit chair and the Company agree the schedule will be placed in effect for six months. The extended shift schedule will continue until either the Company determines it is no longer consistent with the needs of the operation or the Union gives sixty (60) days notice to cancel, in which case the Company will reinstitute the 8-hour shift.

#### ***B. OVERTIME***

Employees working extended shifts will be paid overtime if the employee works beyond his/her regularly scheduled shift in one workday or more than forty hours in one workweek. Employees will not be required to work more than sixteen hours in one workday except in case of emergency. The Company will seek volunteers for overtime before requiring

employees to stay. Employees working twelve-hour shifts will not be required to work overtime on consecutive days unless no other qualified employee is available on that shift. Employees working overtime after a twelve-hour shift will be provided an overtime lunch within approximately the first two hours of overtime; any pay in lieu of lunch will be in accordance with Article VI, Section D-5.

### *C. SHIFT DIFFERENTIAL*

Employees working the second shift will be paid the night shift differential. Overtime shift differentials will be paid according to Article VI, Section E.

### *D. VACATIONS*

Vacation pay is based upon total vacation hours eligibility. Vacation days taken during the year will be deducted from the employee's total vacation hours eligibility based upon the number of hours the employee was scheduled to work during the absence. Residual vacation hours equal to half or more of a full shift may be taken as a vacation day with the residual hours paid, or the employee may elect to be paid for those hours in lieu of time off. Residual hours of less than half a full shift may not be taken as a vacation day and the employee will be paid for the unused vacation hours. Scheduling of vacations is subject to the approval of the Company.

### *E. HOLIDAYS*

Employees working on a holiday will be paid according to Article X, Section C. Employees will be paid eight (8) hours straight time pay for holidays not worked, subject to the terms and conditions of Article X.

### *F. JURY DUTY*

The employee will receive full shift pay for the regularly

scheduled workdays, subject to the terms and conditions of Article XI, Section D.

#### ***G. BEREAVEMENT PAY***

Employees will receive full shift pay for the regularly scheduled workdays, subject to the terms and conditions of Article XI, Section B.

#### ***H. ON-THE-JOB INJURIES***

Employees will receive compensation for lost time according to the terms and conditions of Article XVI, based on the hours they otherwise were scheduled and would have worked.

Accommodations for employees needing time off or shift trades will be handled according to current practice, keeping in mind that the additional days off inherent in extended shifts should allow employees more than ample time to take care of most personal business.

The Company will have final approval of all schedules and reserves the right to discontinue the extended shift schedules if the needs of the operation so require. In addition, reference to ten or twelve-hour shifts in this or any other Article regarding extended shifts is not intended to preclude scheduling for shifts of any length up to twelve hours in accordance with this Labor Agreement.

## **ARTICLE VIII**

---

### **Rates of Pay and Wages**

The occupational classification and the straight-time rates of pay applicable to such occupational classification shall, during the period of this Agreement, be as set forth in Exhibit A attached hereto.

In the event a new occupation not shown on Exhibit A is established, or in the event of a major change in the job content of an existing occupation, the Company and the Union shall meet and negotiate an appropriate rate for such occupation. In case of the inability of the parties to agree on such a rate, the matter may be referred to arbitration. The arbitrator shall be empowered to hear and decide only one such rate question and to establish an appropriate rate for such occupation by taking account of the rates for existing occupations as established by this Agreement and by slotting the new occupation into proper relationship with such existing rates. Such rate shall be retroactive to the day such new occupation began.

## ARTICLE IX

---

### Vacations

#### *A. VACATION PERIODS AND PAY*

All employees who have been continuously employed for at least one (1) year and who have worked at least twelve hundred (1200) hours during the preceding employment year shall be entitled to a vacation of one (1) week with pay.

All employees who have been continuously employed for a period of three (3) years and who have worked at least twelve hundred (1200) hours during the preceding employment year will be entitled to a vacation of two (2) weeks with pay.

All employees who have been continuously employed for a period of ten (10) years and who have worked at least twelve hundred (1200) hours during the preceding employment year will be entitled to a vacation of three (3) weeks with pay.

All employees who have been continuously employed for a period of seventeen (17) years and who have worked at least

twelve hundred (1200) hours during the preceding employment year will be entitled to a vacation of four (4) weeks with pay.

All employees who have been continuously employed for a period of twenty-five (25) or more years and who have worked at least twelve hundred (1200) hours during the preceding employment year will be entitled to a vacation of five (5) weeks with pay.

A week's vacation pay shall be determined by multiplying the regular straight-time average hourly rate of pay for the four pay periods preceding the vacation payment date by the number of hours in the regularly scheduled work week with a minimum of forty (40) hours and a maximum of forty-eight (48) hours.

#### ***B. VACATION ELIGIBILITY***

Employees shall be considered as qualified for their second and subsequent vacations upon completion of twelve hundred (1200) hours worked in their employment year, except that:

1. Time lost on a regularly scheduled hour basis because of accidents compensable under the regulations of the Arizona Workmen's Compensation Act, jury duty, and temporary-layoffs by the Company (excluding layoffs due to the reduction of the work force) will be considered as time worked in order to qualify for vacation.
2. Time lost on a regularly scheduled hour basis due to periods of sickness or injury not in excess of a total of two hundred forty (240) hours certified to by a Company physician shall be considered as time worked in order to qualify for vacation.
3. Time lost on a regularly scheduled hour basis because

of absences due to Union business not in excess of a total of two hundred forty (240) hours shall be considered as time worked in order to qualify for vacation.

Vacations will, so far as possible, be granted at the time most desired by the employee, but the final right to allotment of vacation period is exclusively reserved to the Company in order to insure orderly operation. The Company may elect to give all vacations at the same time, or to stagger vacations according to plant convenience.

In the event of a vacation shutdown, employees who have completed one year of continuous service, or more, will take whatever vacation to which they are entitled, if any, during the shutdown. The amount of vacation entitlement shall be based on the years of continuous service reached during the year in which the shutdown takes place. An employee who has not completed one year of continuous service, or an employee with more than one year of continuous service who has not completed his twelve hundred (1200) hour requirement at the time of shutdown, shall not receive any vacation at that time. Said employee shall receive his vacation after he has qualified for same in accordance with the balance of this Article. Employees who take their vacation during the shutdown shall be paid their vacation pay at the time of the shutdown.

### *C. TIME OF VACATION PAYMENTS*

Vacation periods shall not be cumulative. Employees will be allowed to sell back to the Company all but two weeks of the vacation to which they are entitled in a vacation year and receive pay in lieu of vacation. Employees may not sell back more than one week in any calendar quarter. Payment for vacation periods will be made on the regular payday in which

the vacation occurs and shall be subject to the usual deductions.

Employees with two or more weeks of vacation will be permitted to take up to two weeks of their allotted annual vacation in increments of one day or more.

Employees shall be paid for vacation pay upon termination of employment for any reasons, providing they have worked the required number of hours.

An employee terminated for any reasons other than quit or discharge, who is not eligible for a vacation, shall receive a pro rate payment based on percent of service to date of termination.

#### ***D. VACATION BONUS***

In addition to the regular vacation pay to which an employee is entitled, there shall be paid a vacation bonus in accordance with the following schedule:

##### **Vacation Week**

##### **Commencing in:**

##### **Bonus**

April, May, October,

December.....\$35.00 per week

January, February,

March, November.....\$50.00 per week

June, July, August,

September.....No Bonus

The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences, that is, the first day thereof the employee would otherwise have been scheduled to work. For example, an employee whose two-



consecutive-week vacation begins Monday, September 27, 1976, would be entitled to NO bonus for the first week but would be entitled to a \$35.00 bonus for the second vacation week, which begins October 4, 1976. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds. A \$20.00 bonus shall be paid for vacation weeks paid in lieu of time off.

The vacation bonus is an add-on to, and not part of, an employee's regular vacation pay.

## **ARTICLE X**

---

### **Holidays**

#### ***A. DESIGNATED HOLIDAYS***

For the purpose of this Agreement and insofar as operating schedules permit, only the following nine (9) days are designated as holidays, whether worked or not:

- New Year's Day
- Easter Sunday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Eve Day
- Christmas Day

#### ***B. HOLIDAYS NOT WORKED***

Employees covered by this Agreement shall be paid the straight-time rate of pay for holidays designated in Article X,

Section A, when not worked, subject to the following terms and conditions:

1. An employee must have been on the Company's payroll continuously for forty-five (45) days prior to the holiday in question. This forty-five (45) day requirement shall apply only to hires and rehires on or after July 1, 1986, and shall not apply to employees recalled after such date.
2. An employee must work his last scheduled shift prior to the holiday and his first scheduled shift after the holiday; provided, however, that if an employee is absent on either or both of these days because of personal sickness, verified by a doctor, sickness within his family of such a nature as to necessitate the employee remaining home, or death in the family, and reports such facts promptly to his Supervisor, such days will not be counted as scheduled. An employee who has been excused by his Supervisor from working his last scheduled shift before the holiday, or his shift occurring on the holiday, or his first scheduled shift after the holiday, shall be considered as not having been scheduled to work on such day or days.
3. A holiday not worked shall not be considered as time worked in the computation of weekly overtime.
4. If an employee is scheduled and assigned to work on a holiday and does not work, he shall receive no pay.
5. Should a holiday occur during an employee's vacation, an additional day's vacation with pay shall be granted.

### ***C. HOLIDAYS WORKED***

An employee who works on any of the holidays designated in Article X, Section A, shall be paid double and one-half for all hours worked computed at his regular straight-time rate plus any applicable shift differential on a straight-time basis as defined in Article VI, Section E. All hours worked on a holiday shall be used in computing weekly overtime. No more than two and one-half (2 1/2) times the straight-time pay as herein above set forth will be paid for work performed on any of the holidays listed above.

### ***D. COMPUTATION OF WAGES***

There shall be no pyramiding of earnings resulting from various types of overtime, and with the exception of pay for holidays worked as defined in Article X, Section C, and pay for working a seventh day in a regularly scheduled work week as defined in Article VI, Section D, Paragraph 2, the maximum total paid any employee for any hour worked shall be one and one-half (1 1/2) times his hourly rate of pay as fixed by Exhibit A attached hereto.

## **ARTICLE XI**

---

### **Leaves of Absence**

#### ***A. LEAVE OF ABSENCE***

A leave of absence for a legitimate cause may be granted for thirty (30) days, without loss of seniority, but no seniority will be accumulated beyond the thirty (30) days.

#### ***B. BEREAVEMENT PAY***

In case of death in the employee's immediate family, the employee shall be allowed three (3) days off with straight-

time pay to be taken any time between the date of the occurrence of death and the day following the funeral. To qualify for pay, the three days off must be on regularly scheduled days and at least two (2) of these days must be consecutive. Death in the immediate family shall be limited to the death of the father, mother, step-father, step-mother, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandmother, grandfather, husband, wife, sister, brother, step-brother, step-sister, child, step-child and grandchild. Employees will be allowed one (1) day off with straight-time pay for the death of a sister-in-law, brother-in-law, grandmother-in law or grandfather-in-law.

If for any reason an employee works his regular scheduled day or any part of all of the above specified days, this clause will be in no way construed as eligibility for premium pay for such time actually worked.

A new employee must have been on the plant payroll for sixty (60) days prior to such death to be eligible for pay under the above provision.

In order to be entitled to the benefits above, the employee, at the request of the Company, shall produce reasonable proof of death of such relative.

### *C. ENCAMPMENT PAY*

An employee required to attend encampment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between his government pay (excluding travel, subsistence or quarters allowances, if any) for a period not to exceed two (2) weeks in any calendar year and the amount of straight-time pay, based on eight (8) hours per day, forty (40) hours per week, he would have received had he worked instead of attending encampment. The straight-time pay calculations shall exclude cost-of-living allowances, shift differentials and

## ARTICLE XII

---

### No Strike; No Lockout

The Union agrees that there shall be no strike, stoppage of or interference with work during the term of this Agreement. The Company agrees that there will be no lockout of its employees during the term of this Agreement. Any employee participating in a strike in violation of this Article shall be subject to discipline and discharge by the Company with recourse to the grievance procedure only as to the determination of the question of violation. During curtailment or stoppage of work from any cause, the Union agrees that it will not interfere with the free egress and ingress to the plant of any Company employee not in the designated bargaining unit.

The Company and the Union agree to cooperate in a prompt and orderly disposal of all grievances in an amicable manner. No strike, work stoppage, no threat of same, and no lockout shall take place while any grievance is being presented, investigated, considered or arbitrated.

If a strike, work stoppage or lockout shall take place in violation of this Article, any investigation, presentation, consideration or arbitration of any such pending grievance will be automatically suspended until such a strike, work stoppage, or lockout has ended and the employees have returned to work.

any other premium pay, but shall include pay for any holiday (covered by the Collective Bargaining Agreement applicable to the employee) which is observed during the period of encampment for which the military encampment allowance is calculated. If the encampment exceeds two (2) weeks in any calendar year, only the first two (2) weeks the employee would have worked but for the encampment shall be considered for the purpose of calculating the allowance.

#### ***D. JURY DUTY***

Employees subpoenaed for jury duty shall receive the straight-time pay they would have received when such jury duty falls on their regularly scheduled work days. This provision shall be interpreted to include an employee who is summoned for jury duty whether or not the employee actually serves on the jury.

#### ***E. UNION LEAVE***

Leaves of Absence will be granted to employees for the purpose of Union business, and shall be limited to three (3) employees, of which no more than two (2) from any work area may be off at any one time. If the leave is for less than a full shift, the leave may be taken in increments of two hours or more provided the employee has worked at least the first half of his/her shift. The Union must notify the Company no later than the Friday noon posting of schedules that an employee is required to be off on Union business. In an emergency where shorter notice is given, not more than one employee will be excused.

# ARTICLE XIII

---

## Seniority

### *A. PROBATIONARY PERIOD*

Each employee hereafter employed by the Company shall not be considered a regular employee of the Company until after a probationary period of seventy five (75) days of actual work during which time he shall familiarize himself with his job, safety rules, and other Company rules. Termination of employment during probationary period shall not be subject to grievance procedure. Employees retained after probationary period acquire seniority status dating from the first day of employment.

Temporary vacation employees shall not accrue any seniority under the terms of this Agreement.

### *B. RECOGNITION OF SENIORITY*

Seniority means the relative standing of one employee to another based on length of continuous service in the:

1. Company,
2. Department, or
3. Occupation.

The application of seniority shall be as set forth hereunder.

The seniority list, which will be corrected quarterly each year, will show the names of the employees by department; and with respect to each employee, said list will show the following dates:

1. Company Seniority: The employee's length of

continuous service at Silver Bell since his last date of hire.

2. Departmental Seniority: Length of continuous service from the day the employee last entered his department.
3. Occupational Seniority: The date the employee first started working in a particular job classification by filling a permanent vacancy in that job classification.

When an employee is promoted or hired past one or more occupations in a line of promotion, he shall acquire occupational seniority dates in the intervening occupations as of the date bypassed.

For the purposes of this Article, the departments shall be: Mining Department, Mechanical Department and SXEW Department.

### *C. PROMOTIONS*

If a permanent job vacancy occurs in any classification which needs to be filled, it shall be filled in the following sequence:

1. By an employee previously removed from such job classification by reduction in force.
2. By an employee who has previously demoted from or is presently demoting to such occupation for health reasons as provided in Section D of this Article.
3. By an employee in the line of promotion requesting demotion to such occupation as provided in Section D of this Article.
4. By the senior qualified employee next lower in line of promotion.



5. If the vacancy cannot be filled as provided above, a notice will be posted in the department that will give the job classification in which the vacancy exists and shall be posted for three (3) working days. An employee wishing to apply for such a posted vacancy may do so by filling out a written application to the department head. The job shall be awarded to the employee who has the greatest departmental seniority and who is qualified within the department.
6. A qualified employee returning from an absence, except lay off, may within five (5) working days exercise his seniority to displace an employee his junior, who during his absence has filled a permanent vacancy under Section C above. An employee so displaced shall return to his former job without loss of seniority.
7. If there are not qualified employees bidding on the posted job vacancy within the department as hereinabove set forth, the Company may fill the job vacancy from any source. Before a new employee is hired to fill the job vacancy, an employee who has applied for an interdepartmental transfer will be given consideration for such a transfer, providing he has the qualifications the Company requires, were said employee to be hired into the department from the street.
8. No employee who has worked for the Company for less than one year may apply for an interdepartmental transfer except as hereinafter set forth.
  - a. An employee with less than one year's service and who is demoted for proven physical reasons as certified by a physician as set forth in Section D of this Article, may be demoted to another

department in less than one year under the following circumstances:

- (1) He cannot perform his job for physical reasons.
  - (2) There is no job for which he is qualified within the department to which he can demote by occupational seniority.
  - (3) There is a vacancy for which he is qualified as set forth in Paragraph (7) above.
- b. An employee who is transferred in accordance with Paragraph (8) above shall have his Company seniority in the department from which he was transferred credited to his occupational seniority as a laborer in the new department.
9. The selected applicant for the vacancy shall be given not more than thirty (30) days to satisfactorily perform the job. If such employee fails to satisfactorily perform the job within the said period, he shall revert to his former position without loss of seniority but must wait for a period of six (6) months before again applying for a job vacancy requiring the same or similar qualifications.
10. A vacancy other than a permanent vacancy as defined in Section C above shall be deemed a temporary vacancy. If the Company finds it necessary to fill a temporary vacancy, it shall be filled as follows:
- a. Any temporary vacancy which can be foreseen by the Supervisor more than eight (8) hours before it is to be filled shall be filled by the senior qualified employee from the line of promotion on the shift involved. In the event said temporary

vacancy cannot be foreseen by the Supervisor more than eight (8) hours before it is to be filled, it shall be filled for the first shift or remaining portion thereof in the same manner, provided no delay or impairment of the efficiency of the operation would result. If efficiency is so impaired, the temporary vacancy may be filled for the first shift or remaining portion thereof from any source within the department. In the event said temporary vacancy cannot be filled from any source within the department, it may then be filled from any source.

- b. After the first eight (8) hours and up to thirty(30) days, the vacancy will be filled by the senior qualified employee in the line of promotion on the shift involved. If there is not such qualified employee, the temporary vacancy will be filled from any source.
- c. However, if it is anticipated that such a job shall continue for more than thirty (30) days, it shall be filled as provided in Section C as if it were a permanent vacancy.

An employee filling a temporary vacancy shall upon its termination return to the classification from which he was transferred without loss of seniority.

#### ***D. VOLUNTARY DEMOTION***

An employee may request a demotion to a lower occupational classification in the same line of promotion or the Laborer classification in his or another department; if his reasons are justifiable and he has filed a written request with his department head, he shall, if qualified, be demoted thereto on the basis of his occupational seniority date in such lower

occupation when a vacancy occurs. An employee so demoted shall forfeit all seniority in occupational classifications above the one accepted. The employee's occupational date and departmental seniority date, where he is transferred to another department, shall be the effective date of the demotion. An employee demoted for proven physical reasons, certified to by a physician, shall retain all seniority.

#### ***E. SUPERVISORY EMPLOYEES***

If an employee now or hereafter occupies a supervisory position and is demoted, he will retain the seniority rating which he had at the time of promotion. Time spent in the supervisory position will be counted in computing his seniority status.

#### ***F. LOSS OF SENIORITY***

An employee shall cease to have seniority and to be on any seniority list if:

1. He quits.
2. He is discharged for cause.
3. He does not return to work when called as provided in Section H hereof.
4. Seniority of an employee who has completed his probationary period shall terminate upon the expiration of a period of twenty-four (24) months since such employee last worked for the Company; and seniority shall terminate for an employee, who has three (3) or more years of service as of his last day worked for the Company, upon the expiration of thirty-six (36) months of such absence.
5. An employee who voluntarily moves from one department to another shall lose his occupational

and departmental seniority in the department from which he left.

#### ***G. REDUCTION IN FORCE***

If a reduction in force becomes necessary, employees affected thereby shall exercise their seniority in the following manner:

1. The employees with the least occupational seniority shall exercise that seniority to claim a job lower in the line of promotion.
2. In the event the employee cannot remain in his department by virtue of Subsection (1) above, he shall be assigned to the lowest rated job in another department. An employee who cannot remain in his department because of a reduction in force shall maintain his occupational and departmental seniority for two (2) years in the old department.
3. In the event an employee has insufficient occupational, departmental or Company seniority or qualifications to claim a job, he shall be laid off from the plant.

#### ***H. RE-EMPLOYMENT AFTER LAY-OFF***

When an expansion in the work force becomes necessary and there are employees laid off, the employee last laid off shall be called back first and so on, provided the employee so recalled has the qualifications required to do the work.

Any employee who has been laid off and who has recall rights shall keep the Company advised of his address so he can be notified if and when his services will be required again. An employee shall have seven (7) days from receipt by him of notice of recall by certified mail to his last known address to notify the Company of his intention to accept employment

and must present himself for employment within fourteen (14) days from the date such certified notice was received unless a longer time has been agreed to by the Company and the Union.

An employee who receives such notice and fails to notify the Company of his acceptance of employment within seven (7) days from receipt of the certified notice or fails to report for employment within fourteen (14) days of receipt of the certified notice, unless a longer time has been agreed to as hereinabove set forth, shall be considered to have quit.

#### ***I. SENIORITY LISTS***

The Company shall post on the Company bulletin boards a revised Seniority List promptly, quarterly.

#### ***J. QUALIFICATIONS***

Standards used by the Company in the selection of qualified employees shall be uniformly applied.

## **ARTICLE XIV**

---

### **Grievance Procedure**

#### ***A. DEFINITION OF GRIEVANCE***

Any dispute arising as to the meaning, application or observance of any provision of this Agreement shall be regarded as a grievance and shall be handled as a grievance in accordance with the provisions of this Article.

#### ***B. DEFINITION OF GRIEVANCE COMMITTEE***

The Union shall select three (3) but not more than five (5) of its members who are also employees of the Company to service on the Grievance Committee. The Union will furnish

the Company with the names of those employees selected to serve on the Grievance Committee.

Grievances shall be discussed during regular working hours whenever practicable, without loss of pay to any three (3) of the following: the grievant, a grievant representing a group of employees, a steward, committeemen, and witnesses where necessary.

### *C. PRESENTATION OF GRIEVANCE*

Any employee or group of employees having a grievance shall within fifteen (15) days present the grievance to the Supervisor who shall attempt to adjust it. The employee or employees presenting the grievance may be accompanied by the Steward. The Supervisor shall give his decision within two (2) days, Saturdays, Sundays and holidays excepted. If the Supervisor's answer does not satisfactorily adjust the grievance, the grievance may be taken to the next step.

The grievance must then be reduced to writing, signed by the employee and a Grievance Committeeman, and presented for Step 2 within three (3) days of the Supervisor's answer, Saturdays, Sundays, and holidays excepted. The Department Head or his representative shall give his decision in writing within four (4) days, Saturdays, Sundays and holidays excepted. If the Department Head's answer does not satisfactorily adjust the grievance, the grievance may be taken to the next step. Copies of the Department Head's answer shall be given to the Grievance Committeeman and the Union.

If the procedure outlined above has not resulted in a satisfactory adjustment, the Grievance Committee shall, within five (5) days after receipt of the Department Head's decision, Saturdays, Sundays and holidays excepted, submit the written grievance to the General Manager or his

representative, who shall within five (5) days, Saturdays, Sundays and holidays excepted, render his written decision and furnish the Grievance Committee and the Union with a copy of the same. It is understood that after the grievance has been submitted to the General Manager or his representative, a staff representative may be present at all third step grievance meetings.

Any unadjusted grievance not carried to the next higher step in the grievance procedure within the time limits herein provided shall be considered as settled on the basis of the last decision unless withdrawn in writing by the Union within the prescribed time limits set forth herein.

#### ***D. APPEAL TO ARBITRATION***

If a grievance is not adjusted by the procedure set forth in Section C of this Article, either party may at any time within ten (10) days after the decision of the General Manager, Saturdays, Sundays and holidays excepted, appeal the grievance to arbitration by serving notice in writing to the other party by certified mail.

#### ***E. SELECTION OF THE ARBITRATOR***

The parties shall designate an arbitrator for each dispute; but should they fail to agree on such arbitrator within the (10) days, Saturdays, Sundays and holidays excepted, of receipt of the notice of decision to arbitrate as set forth above, they shall jointly request the Federal Mediation and Conciliation Service to furnish a panel of arbitrators from which an arbitrator can be agreed upon. From this panel, or subsequent panels, if none of the names on a panel are acceptable, a single name shall be selected and designated to act as arbitrator. The maximum number of panels that may be requested shall be three (3); and failing selection from three



(3) panels by the parties, the parties shall request the Federal Mediation and Conciliation Service to make an appointment of a single arbitrator. The decision of the arbitrator shall be final except as to questions of law. The fee and expenses of the arbitrator shall be borne equally by the Union and the Company.

In arbitration cases involving discharge, the parties will attempt to select an arbitrator, in accordance with the selection provision, that has an available date within forty-five (45) days following the appeal to arbitration. Such arbitrator would be directed to render a decision within thirty (30) days following the hearing. If no arbitrator selected in accordance with this provision has such an available date, the parties will agree upon another arbitrator to hear the case in accordance with this provision.

#### *F. RULES OF ARBITRATION*

The arbitrator shall promptly render his decision in writing; and, unless mutually agreed, no arbitrator shall have more than one unresolved grievance at the same time. The arbitrator shall have no authority to alter or amend any provision of this Agreement; nor may he make any changes in the basic wage rates.

## **ARTICLE XV**

---

### **Miscellaneous Provisions**

#### *A. TEMPORARY REASSIGNMENT TO LOWER RATE JOBS*

Employees temporarily assigned to lower rate jobs shall be paid their regular rate, provided, however, that employees who request to be assigned to a lower rate job shall be paid the lower rate.

## ***B. INTOXICATION, UNEXCUSED ABSENCE AND VIOLATION OF SAFETY RULES***

The Union agrees that the discharge of any employee for intoxication or willful violation of safety laws, state mining laws, or safety rules and regulations promulgated by the Company, or the discharge of any employee who absents himself for three (3) regular shifts, in forty-five (45) consecutive days, without permission from his Supervisor or Department Head, shall not be the subject of a grievance, except as to fact.

## ***C. NOTIFICATION OF DISCIPLINARY LAYOFF OR DISCHARGE***

In the event an employee is given a disciplinary lay-off or is discharged, the Supervisor shall give an oral explanation for the action to the employee in the presence of the nearest available Steward present in the department on the shift involved and shall give the employee a written notice of the reasons for the same within forty-eight (48) hours, Saturdays, Sundays and holidays excepted; and a copy of the written notice shall be given to the Steward involved.

## ***D. NO DISCRIMINATION OR COERCION***

The Company agrees that there shall be no discrimination against any employee because of membership in the Union, and on the other hand, the Union agrees not to coerce or intimidate employees into membership, or to refuse to work with non-members, or to engage in any organizational membership drive on Company time.

## ***E. BULLETIN BOARDS***

Suitable bulletin boards will be provided by the Company at the change rooms for the sole use of the Union. The Union

agrees to use the bulletin boards only for official Union business. All posted material must bear the signature of an authorized officer of the Union. The above mentioned bulletin boards will be provided with a lock, and keys will be furnished to a designated representative of the local Union.

#### ***F. PHYSICAL AND MEDICAL EXAMINATION***

All candidates for employment or re-employment after curtailment must pass a pre-employment physical and medical examination, and the Company may require periodic examinations of all employees.

#### ***G. PERSONAL TOOLS***

Upon proper representation to the Supervisor, the Company is agreeable to replacement of employees' personal tools broken or worn out in Company service with tools of equal quality.

#### ***H. WRITTEN NOTICE***

Any written notice required by this Agreement must be given by certified mail, return receipt requested, within the time specified and addressed to the other party at the address herein specified. The address of the Company shall be: Silver Bell Mining, L.L.C., Marana, Arizona 85653, and the address of the Union shall be United Steelworkers of America, 2123 E. Grant Rd., Tucson, Arizona 85719, unless changed by written notice.

#### ***I. VALIDITY***

It is specifically understood that nothing in this Agreement shall be in conflict with any state or national legislation now in force or hereafter enacted.

This document constitutes the entire agreement between the

parties hereto, and no change will be made in this Agreement or any supplemental agreements affecting same will be entered into, unless consented to by both parties in writing.

#### ***J. RULES OF CONDUCT***

Rules of conduct will be made known to all employees by posting said rules on the Company bulletin boards.

#### ***K. TECHNOLOGICAL CHANGE***

Prior to the implementation of a major technological change in equipment (not just larger, or improved, or modified equipment) which may reasonably be expected to result in substantial impact on job assignments, the Company will notify the Union that such technological change will occur and identify the job classifications that may be affected.

## **ARTICLE XVI**

---

### **Safety and Health**

#### ***OBJECTIVE***

The Company shall make reasonable provisions for the safety and health of its employees during the hours of their employment, and agrees to abide by and maintain standards of sanitation, safety and health in accordance with Federal and State laws and regulations.

The Company and the Union will cooperate in achieving the objective of eliminating recognized hazards related to sanitation, safety and health; the Company will insist that all employees comply with all Safety and Health rules.

Recognizing that continuing on-the-job safety and health, as well as the elimination of recognized hazards, is the concern

of all employees, the following program shall be adopted by the parties.

### ***FIRST AID FACILITIES***

Adequate First Aid facilities and access to emergency First Aid treatment shall be provided by the Company. A Registered Nurse or qualified trained personnel shall be available to administer First Aid to employees on all shifts.

### ***TRAINING***

New Employees: All new employees shall be given a thorough indoctrination in the applicable Safety and Health program, and shall be provided with a listing of the members of the Safety and Health Committee. The Union shall be responsible for providing the Company with a current listing of Union representatives on the Committee.

All Employees: All employees will be instructed on the safety and health aspects of their particular job.

New Equipment and Processes: When the Company introduces new equipment or processes, all employees involved shall be instructed and trained in its safe operation.

Where the Company uses or introduces chemicals, solvents, and gasses, which may be or become a recognized hazard in working areas, the Company will advise affected employees and the Union departmental Safety and Health Representative of precautions which have been taken and to be observed for their protection. On request of the Committee's Union Representatives, the Company will provide written assurance that such steps have been taken.

### ***RECORD KEEPING AND REVIEW***

Exposure Measurements: The Company will keep such records of exposure as may be required by the U.S.

Department of Labor. On request of the Committee's Union Representatives, the Company will review the results of exposure measurements with them.

**Accident Frequency and Severity:** A summary report of accident frequency and severity shall be prepared quarterly and forwarded to the Local Union and the International Union Safety and Health Department. Such summary report may be reviewed upon request of either party at the Safety and Health Committee meetings.

### ***COMMITTEE MEMBERS AND MEETINGS***

A Safety and Health Representative and an Alternate in each Department of the Plant, to a maximum of three Representatives and three Alternates if the number of Departments exceeds three, shall be designated by the Union. These Representatives or an Alternate, if available, in the absence of the Representatives, shall meet with the Company Representatives monthly, as a "Safety and Health Committee" (hereinafter called the "Committee"), to review and discuss Safety and Health matters. Without detracting from the existing rights and obligations of the parties, alcoholism or drug abuse may also be discussed with the objective of rehabilitating the afflicted employee. These meetings shall be held during the day-shift working hours. Representatives or Alternates at work shall not suffer loss of time for attending.

A special meeting may be called by either party on reasonable notice to all Representatives, as a specific Safety and Health situation requires. Representatives or Alternates at work shall not suffer loss of time for attending.

### ***REPORTS OF MEETINGS***

A written report of regular and special meetings, including subjects discussed, recommendations made and action taken,

shall be prepared by a Company Representative and a copy sent to each Representative within five (5) working days following the meeting. If the Union Committee Representatives take exceptions to the minutes, such exceptions may be submitted in writing to the Company within five (5) days after receipt of the minutes.

### ***COMPLAINTS AND/OR DISPUTES***

An employee who sincerely believes and alleges that an unsafe condition exists on a job beyond normal hazards inherent in the operation, such that he is in danger of injury, may on request, be promptly assigned to another job if available, at the rate of pay on that job, or sent home. The employee may request that the Departmental Safety and Health Representative, or Alternate in the absence of the Representative, be called to confer with the Company regarding the alleged unsafe condition. The determination whether to assign the employee to another job, if available, or to send him home, shall be made by the Company. After assuring itself that the job is, in fact, safe, should the Company wish to assign another employee to the job, he or she will be advised of the dispute before assignment.

If the job is found to be unsafe at the next scheduled safety meeting provided for herein, to which the affected employee will be given the opportunity to attend if deemed necessary by the Committee, he will suffer no loss in pay for the time lost. If there is no agreement as a result of such meeting, the matter will be resolved by an arbitrator to be selected in the manner set forth in Article XIV. This provision will not be subject to the regular grievance procedure of this Contract.

### ***INSPECTIONS***

The respective Departmental Representative - Departments in excess of three shall be assigned among the three

Representatives -shall accompany and advise the Plant Safety Engineer during his regular monthly, scheduled inspection of the Plant. The Union may designate an Alternate to participate, if available, in the absence of any such Representative. These Departmental Representatives may also accompany the Company's Central Safety Engineer on an inspection trip during his periodic visit to the Plant. If at work, the designated Union member of the Committee, or its Alternate in absence of the member, shall be afforded the opportunity to accompany government inspectors, State and Federal.

### ***PLANT VISITS***

If desired, International Union Safety and Health Representatives may visit the Plant, if a particular situation warrants; reasonable notice to, and permission of, the General Manager shall first be obtained. In the event of a fatality of an employee, such permission shall not be unreasonably withheld.

### ***ACCIDENT INVESTIGATIONS***

Management will promptly notify the Union Safety and Health Representative on shift (or in his absence, the Alternate designated for such purpose) of the occurrence of an accident involving substantial injury to Life and Limb. On request to investigate the scene of the accident, permission to do so will not be unreasonably withheld. The Representative or Alternate on shift shall not suffer loss of time due to such investigation.

### ***PAY ON DAY OF INJURY***

An employee injured in an industrial accident who loses time on the day of accident and/or the day following the accident, as a result of obtaining Company directed medical treatment, shall be compensated for such lost time occurring during the



scheduled hours of work on the day(s) such treatment is received.

### ***SHOWERING***

The Company may require certain employees to shower immediately before or after the completion of their workday. In such cases, fifteen (15) minutes will be allotted for showering and related activities when required before the end of the workday or if so designated by the Company, where required after the completion of the employee's workday.

## **ARTICLE XVII**

---

### **Cost of Living**

The cost-of-living adjustment is to remain suspended for the duration of this Agreement.

## **ARTICLE XVIII**

---

### **Health – Welfare, Vision Care, Prescription Drug, Dental, Life Insurance and FSA**

The Company will provide Health-Welfare, Vision Care, Prescription Drug, Dental, Life Insurance and Flexible Spending Account as shown in this Article which includes revisions in the Plans in accordance with the Memorandum of Settlement dated June 30, 2001. These Plans of benefits will continue in effect until June 30, 2004. However, the benefits provided under "A" and "C" of this Article will be discontinued or reduced to the extent that like benefits are provided under Federal or State Law for which the Company and/or employee may be taxed. Benefits provided under "A" and "C" of this Article shall not be paid if the disease, sickness or injury is compensable under any Workers' Compensation

Law or occupational disease law (except Weekly Sickness and Accident Benefits as specified), or for any injury arising out of or during the course of any employment for wage or profit. For details, refer to the Summary Plan Description(s).

#### **A. HEALTH AND WELFARE BENEFITS**

Subject to rules and regulations of the Plan not in conflict with this Agreement between the Company and the Union, the benefits shall be provided as outlined below.

##### **1. Accidental Death or Dismemberment Benefits (For Employees Only).**

Death or dismemberment by accidental means due to non-occupational causes, will provide:

- a. \$29,500 for loss of life.
- b. \$14,750 for loss of 1 hand or 1 foot or the sight of 1 eye.
- c. \$29,500 for loss of 2 or more such members.

##### **2. Weekly Sickness and Accident Benefits (For Employees Only).**

- a. \$220.00 per week (\$230.00 per week effective 1/1/2002, \$240 per week effective 1/1/2003, \$250 per week effective 1/1/2004) for 52 weeks for absences caused by non-occupational accidents or sickness; benefits to start the 1st day in case of accidents or hospitalized sickness or outpatient surgery and 6th day in case of unhospitalized sickness.
- b. Worker's Compensation Supplement

For any week that temporary and total disability

benefits are payable under State Worker's Compensation law, such payments shall be supplemented by an amount equal to the difference (if any) between such weekly payment and the Non-Occupational Weekly Sickness and Accident Benefit, provided that the Company recognizes the disability causing the absence to be work incurred and the disability commenced on or after January 1, 1981. There is no change in the terms or conditions of the Non-Occupational Weekly Sickness and Accident Benefit Plan, including the duration of such benefits, except to provide a Worker's Compensation Supplement.

- c. Benefits will terminate at commencement of benefit payments under the Pension or Permanent and Total Disability Benefit Plans.

### **3. Preferred Provider Network**

The Company has contracted with a Preferred Provider Organization to provide a network of health care providers to Asarco Employees. Employees will retain the option of continuing to secure care on a fee-for-service basis or utilizing the Network. For in-network Medical Expenses, the employee Co-Payment shall be 5%. For out-of-network expenses the employee Co-payment will be 20%. In all other respects, in-Network coverage will be identical to fee-for-service coverage.

### **4. Managed Care**

The Company has contracted with a Managed Care Organization to implement a pre-certification and utilization review program. This program includes

the following:

Pre-Certification for all In-Patient Courses of Treatment;

Continuing Stay Review for all Confinements; and

Case Management including alternative setting reviews and Discharge Planning.

Employees securing In-Patient care on a fee-for-service basis (outside of Network) will be required to contact the Managed Care Organization prior to admission. Claims for In-Patient treatment submitted by employees who have failed to contact the Managed Care Organization will be subject to a per confinement deductible of \$250. Employees obtaining In-Patient care from Network providers need not contact the Managed Care Organization. This program shall include an appeals procedure.

## **5. Comprehensive Plan**

Effective January 1, 2002, all plan participants will be covered by the Comprehensive Plan with the following features:

<b>Design</b>	Comprehensive
<b>Deductibles</b>	\$200 per individual/ \$400 per family
<b>Co-payments</b>	95%/5% (in-network) 80%/20% (out-of-network)
<b>Annual Stop Loss</b>	\$2,000 aggregate
<b>Lifetime Maximum</b>	\$1,000,000
<b>Contributions</b>	\$5/month Employee \$10/month Employee + one dependent \$15/month Employee + family

If network services are not available within a reasonable distance from the employee's home, out of network services will be reimbursed at the in-network level. (For example, the distance from Kearny or Hayden to Tucson, Phoenix or Globe would be considered a reasonable distance.)

Enrollment shall be on an annual basis. However, changes in family status during an enrollment year shall be accommodated with proper notification and documentation. Changes must be submitted within 31 days of the qualifying event. Active full-time employees who elect to opt out of coverage will receive \$25 per month. An employee's decision to opt out is subject to proof of alternative coverage.

Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

All benefits shall be payable on a usual and customary fee basis subject to the annual deductible and co-payment.

#### Definition of Usual and Customary Fees:

- a. **Usual** — The "usual" fee that is charged for a given service, by an individual physician to the majority of his private patients.
- b. **Customary** — A fee is "customary" when it is within the range of usual fees charged by physicians of similar training and experience, for the same service within the same specific and limited geographical area (socioeconomic area of a metropolitan area of a county).
- c. **Reasonable** — A fee is "reasonable" when it

meets the above two criteria, or in the opinion of the responsible medical association's review committee, is justifiable, considering the special circumstances of the particular case in question.

## 6. Preventive Care

Preventive care will be offered under the current Health Plan and shall include the following services, without having to pay a deductible. Benefits are paid according to a schedule. Coverage is as follows:

### Benefit Schedule:

Physical Examinations: \$150

Frequency of exams is based on age. People who are:

Age 61 and over are covered for an annual exam.

Between ages 41 and 60 are covered for an exam every two years.

Between ages 31 and 40 are covered for an exam every three years.

Age 30 and below are covered for an exam every four years.

Screening Exams - One Pap test annually: \$ 30

Sigmoidoscopy: \$225

Once every three years for people age 50 and over.

Mammogram: \$135

Annual for women age 50 and over and one

mammogram every other year for women age 35 and over with a first degree relative with breast cancer.

**Well Baby Care:**

Birth (in the hospital after birth)	\$ 90
2, 4, 6, or 8 weeks (per visit)	\$ 80
4, 6, 9, 12, 15, 18 and 24 months (per visit)	\$ 80

**Immunizations:** The plan pays scheduled benefits for immunizations as part of well-baby care for infants (EMMR, DPT, Oral Polio, etc.).

**7. Plan Benefits**

- a. Expenses incurred for kidney dialysis provided at home or in a kidney dialysis unit which is not connected with a hospital will be covered to the same extent such services would be covered if the procedure was provided in a hospital.
- b. Expenses incurred for extraction of impacted teeth in the out-patient department of a hospital will be covered to the same extent such services would be covered if the extraction was performed as a hospital in-patient.
- c. Expenses incurred for surgery performed in an ambulatory surgical facility will be covered to the same extent such services would be covered if the surgery was performed as an in-patient in a hospital.

An ambulatory surgical facility is described as a legally constituted and operated ambulatory care health center (either part of a hospital or otherwise) with permanent plant, equipment and supplies not usually available in a physician's office for surgical or medical care not requiring in-patient confinement.

- d. Temporomandibular Joint Dysfunction (TMJ) services will be covered at 80%. Services provided by an in-network physician will be covered at 95%.
- e. Skilled Nursing Coverage will be provided in a Skilled Nursing Facility. Details of this benefit are included in the Summary Plan Description.
- f. Benefits shall be provided for sterilizations, abortions and transplant procedures, including donor expenses not covered by other plans.

## **8. Limitations**

### **a. Alcoholism and Drug Addiction**

Benefits under any provision of the Plan for treatments received in an accredited treatment center for alcoholism or drug addiction will be limited to two confinements of not more than 30 days each, unless the course of treatment requires additional days (to a maximum of 15 additional days) during a covered individual's lifetime.

### **b. Chiropractors**

#### Covered Visits

- 1. Initial consultation.



2. Maximum of 18 visits in any calendar year (excluding initial consultation).

### X-Rays

Limited to three x-rays in any 90-day period.

### c. Psychiatric Treatments

#### Non-Hospitalized

Benefits paid on behalf of any covered individual under all provisions of the Plan shall be reimbursed on a 60%/40% Co-Payment basis.

#### Hospitalized

Benefits paid under any provision of the Plan for expenses incurred as the result of confinement in a hospital for psychiatric treatment shall be limited to two confinements of not more than 30 days each during a covered individual's lifetime.

## 9. Pensioners' Coverage

Employees who are under age 65 upon retirement date (early retirees) who retire under the comprehensive plan after January 1, 2002 will continue to be covered under the Plan for "active employees" until the employee qualifies for Medicare. The spouse of an employee who retires will continue to be covered under the Plan for "active employees" until the spouse qualifies for Medicare. Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

The spouse of an active employee who dies and who

is eligible for a Spouse's Pension will continue to be covered for benefits under the Plan for "active employees" until the spouse qualifies for Medicare or remarries.

For purposes of qualifying for benefits under this provision, retirement will include employees receiving benefits under the Permanent and Total Disability Benefit Plan and the surviving spouses of such employees.

Coverage for employees retiring under early retirement provisions of the Pension Plan or those qualifying for Permanent and Total Disability Benefits will be extended to dependent children in addition to the employee's spouse. Dependent coverage for early retirees will be limited to existing eligible dependents on the effective date of retirement; and subsequently wed spouses and natural children born of that marriage and grandchildren who become dependents of the retirees as the result of the death of both parents of the grandchildren.

## **10. Eligibility Requirements**

The following eligibility requirements for the Plan of Health and Welfare Benefits shall apply:

- a. New employees shall become eligible on the 91st calendar day following date of their employment.

Coverage for employees and dependents hospitalized or under care for illness or injury on the effective date of coverage shall be extended to comply with the Health Insurance Portability and Accountability Act (HIPAA).

- b. Employees who are sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- c. Employees who are sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 36 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave became effective. Employees on leave of absence for Union business shall remain eligible during the first twelve months of such leave of absence. If such leave of absence is extended by the Company such employees may continue to be eligible, provided they pay the full cost of such coverage.
- e. In the event an employee is discharged by the Company and there is a dispute as to whether or not the discharge was justified, the Company shall continue the benefits under the Plan for such employee until the case is finally resolved, but not exceeding 90 days.
- f. In the event an employee stops work due to a strike, all benefits under the Plan, other than Weekly Sickness and Accident Benefits, shall continue for the duration of such strike, provided the employee shall pay the required premium during the strike. During the strike, Weekly Sickness and Accident Benefits shall not be continued but benefits thereunder will be payable if total disability commenced prior to

the strike.

- g. The provisions of paragraphs a, b and c above, shall not apply in any case where this Agreement contains a specific provision covering the matter which is more favorable to the employee.

## **11. General Provisions**

### **a. Who Are Eligible Dependents**

The definition of dependents eligible for coverage under the Plan is as follows:

The employee's spouse and the following categories of unmarried children less than 19 year of age, provided such individuals are not employed by Asarco:

Category A — The employee's natural children.

Category B — The employee's legally adopted children (including a child living with the adopting parents during the period of probation) and those for whom the employee is legal guardian. All cases must be submitted to the Corporate office for approval.

Category C — Stepchildren (i.e., the natural children of the employee's spouse) residing in the employee's household and supported solely by the employee. All cases must be submitted to the Corporate office for approval.

Category D — Children for whom coverage is required under a Qualified Medical Child Support Order (QMCSO). All cases must be submitted to the Corporate office for approval.

The Plan shall also include employee's children 19 years of age or more but less than 25 years of age provided such child is unmarried, dependent upon the employee for support and maintenance and is attending an accredited school or university on a full-time basis. The employee must provide supporting documentation semi-annually.

Children in the above categories who are totally disabled are covered under the Plan, regardless of age, for as long as they are dependent upon the employee for support and maintenance provided they became totally disabled prior to age 19 and were eligible for coverage as a dependent child prior to attaining age 19. For purposes of qualifying as disabled, dependent children must be certified by the Asarco Corporate Medical Director, as suffering from an injury or illness which prevents them from living independently from their parents and obtaining gainful employment. Coverage for disabled children will continue until both parents qualify for Medicare or otherwise lose coverage through the Asarco Health Plan.

Persons, other than those described in the foregoing, are not included as dependents. Changes must be submitted to the unit Human Resources office within 31 days of the qualifying event.

b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Health Plan shall be reduced to the extent like benefits are payable

under the provisions of any group insurance plan or group pre-payment plan.

In the event a covered dependent under the Asarco Health Plan is, shall become, covered, or eligible for coverage, under any group insurance or prepayment plan, benefits under the Asarco Health Plan shall be secondary to the benefits provided or available under such other plan and aggregate benefits that would have been payable under both plans may not exceed benefits that would have been payable under the Asarco Health Plan.

This provision does not apply to benefits payable for the account of active employees eligible for Medicare when such active employees elect the Asarco Health Plan as primary payer of medical benefits for themselves including their covered dependents.

Expenses and benefits which are recovered by legal action or settlement are not covered under any provision of the Asarco Health Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Health Plan which is recovered by legal action or settlement.

Employees are required to notify Asarco promptly of the fact of such legal action, and of a judgment or settlement in favor of the employee (or covered dependent) and make available all information relevant to the administration of any provision of the Plan.

If, during the term of this contract, like benefits

are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Health Plan benefits.

c. Benefit Booklets

Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefit provided under the Plan will cease on the date that the employee leaves the service of the Company, except that benefits will be paid in connection with claims which were incurred prior to such date.

d. Audit of Hospitals Bills

Employees will be paid one-third (1/3) of any savings which results from their discovery and report of hospital billing errors with a \$250.00 maximum payment to the employee per confinement.

The only exceptions to this audit feature are bills for care received at a participating Preferred Provider hospital. Due to the discounted fee arrangement at Preferred Provider hospitals, employees will be unable to audit bills received from such providers.

***B. VISION CARE***

Employees, early retirees and their eligible dependents shall be covered under the Asarco Health Plan. Details of the

Vision Care benefits are included in the Summary Plan Description, a copy of which is provided to each employee.

Effective January 1, 2002, reimbursement for lenses under the Vision Care coverage will be increased \$25 in total for each two-year period under the plan.

### *C. PRESCRIPTION DRUG CARD PLAN*

Employees and early retirees who desire prescription drug coverage for themselves and/or their dependents shall have the option of participating in the Prescription Drug Program or to opt out. There will be an annual enrollment period during which employees will be given the opportunity to enroll in the Prescription Drug Card Program. If employees choose to opt out of the Drug Card Program, prescription drugs will not be recognized under the Health Plan, except for drugs which are dispensed in the hospital, while the plan participant or dependent is receiving emergency or in-patient treatment.

Employees and early retirees who enroll in the Prescription Drug Card Plan are subject to the following monthly contributions:

\$ 3/month per single employee

\$ 7/month per employee with one dependent

\$11/month per employee and family

Enrollment shall be on an annual basis. Changes in family status during the enrollment year shall be accommodated. Changes must be submitted within 31 days of the qualifying event.

Brand Name prescriptions filled at a participating retail pharmacy will be covered at 80%. Generic prescriptions filled



at a participating pharmacy will be covered at 90%. Mail order prescriptions (maintenance drugs) will be paid at 100%. No deductibles or medical forms to file.

In all other respects, the terms of the Prescription Drug Card Program shall remain unchanged.

#### ***D. DENTAL BENEFITS***

Subject to rules and regulations of the Plan, the benefits shall be provided for active full-time employees and their eligible dependents as outlined below.

##### **1. Usual and Customary Fee Coverage**

The Plan shall provide benefits on a usual and customary fee basis as follows:

- a. 100% of usual and customary charges for preventive services such as oral examinations, teeth cleaning and space maintainers for children under 19 years of age.
- b. 85% of usual and customary charges for most other dental procedures.
- c. 50% of usual and customary charges for bridgework and dentures.
- d. 50% of usual and customary charges for orthodontic diagnosis and treatment for children under 19 years of age (maximum lifetime benefit of \$650.00 per individual).
- e. The maximum benefit for expenses incurred during any calendar year under "a", "b" and "c" above shall be \$1,000 per individual.
- f. A deductible of \$15 per covered individual will

be applied each calendar year.

## 2. Definition of Usual and Customary Fees

- a. **Usual** — The “usual” fee is that fee which the individual dentist or physician most frequently charges the majority of his private patients for a given service rendered or supply furnished.
- b. **Customary** — A fee is “customary” when it is within the prevailing range of fees charged by dentists or physicians of similar training and experience, for the same service rendered or supply furnished within the same area (metropolitan area, county or such greater area as is necessary to obtain a representative cross-section of dentists’ or physicians’ fees).
- c. **Reasonable** — A fee is “reasonable” when it meets the above two criteria or is justifiable, taking into consideration unusual circumstances or complications requiring additional time, skill and experience in connection with particular dental service or procedure in question.

## 3. Eligibility Requirements

The following eligibility requirements for the Dental Plan shall apply:

- a. New employees shall become eligible on the day following the completion of one year of Company service.
- b. Employees who become sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding six months.

- c. Employees who become sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave of absence became effective. Employees on leave of absence for Union business shall remain eligible under the Plan for lesser of the duration of such leave or 12 months.

#### 4. General Provisions

##### a. Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Dental Plan is the same as the Health Plan.

##### b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Dental Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance or group pre-payment plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Dental Plan benefits.

Dental expenses which are recovered by legal

action or settlement are not covered under any provision of the Asarco Dental Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Dental Plan which are recovered by legal action or settlement.

- c. Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefits provided under the Plan will cease on the date that the employee retires, dies, or otherwise terminates active employment with the Company.

#### *E. LIFE INSURANCE BENEFITS*

Subject to rules and regulations of the Plan, the benefits shall be provided as outlined below.

##### *1. Active Employees*

Effective July, 1, 2001, \$29,500 of coverage shall be provided for each active employee after 91 days of employment.

The Plan shall include the following provisions:

- a. Waiver of premiums in event of disability at any age.
- b. Extended benefits for a period of 31 days.
- c. Conversion rights within 31 days.
- d. Active employees shall be allowed to purchase at cost, supplemental life insurance for themselves and dependent life insurance for their spouses

and children. Employees are responsible for payment of these premiums.

## 2. Retired Employees

Upon retirement under the Company's Retirement Plan, the amount of coverage to be continued without cost to the employee will be \$4,000.

## *F. FLEXIBLE SPENDING ACCOUNTS*

Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$2400 for uncovered medical, vision and dental expenses, with a minimum contributed of \$240 required. Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$4,800 for dependent care, with a minimum contribution of \$480. For detailed information concerning Flexible Spending Accounts refer to the Summary Plan Description.

## *G. COSTS*

During the term of this Agreement ending June 30, 2004, the Company will pay the cost of all benefits outlined in this Article, including any increase required for such benefits (with the exception of all monthly contributions, deductibles, co-pays and supplemental/dependent life insurance contributions as described in this Article).

## ARTICLE XIX

---

### 401(k) Plan

All employees who have completed 30 days of service shall be eligible to participate in the 401 (k) Savings Plan. The maximum allowable employee contribution shall be 19% of earnings, subject to the allowable maximum permitted by federal law and discrimination testing requirements to which the plan is subject. The Company will match 50% of the employee's contributions, up to the first 6%. Company matching contributions for participants who attain age 64 shall be transferable. Employees should refer to the 401(k) Plan, Summary Plan Description for details of the Plan. The provisions of the Plan will not be subject to the grievance and arbitration provisions of the Collective Bargaining Agreement.

Effective 7/1/95, all loan origination fees and loan service charges (\$30 and \$10 respectively), as set by the Fund Managers (Vanguard), shall be the responsibility of the employee requesting the loan. If the amount of such fees increase, such increases shall not be passed on to the employee during the period of the contract.

## ARTICLE XX

---

### Security and Severance Plan

The Security and Severance Plan will be in accordance with the following outline of provisions, subject to the detailed Plan.

#### A. FORMULA

1% of Average Annual Earnings times Years of Service, plus

\$30.00 times Years of Service. (Annual Earnings: Straight-time hourly earnings, which shall exclude all pay premiums of whatever nature, for the twelve consecutive calendar months immediately preceding date of layoff, retirement, or death, divided by the straight-time hours worked, multiplied by 2,080 hours.) Security and Severance Plan benefit calculations shall not be reduced by any wage reductions negotiated.

Hires, or rehires, on or after July 1, 1983, shall be limited to a \$7,500 maximum (lifetime) amount accrued by Formula.

### ***B. ELIGIBLE***

All employees upon completion of Two (2) Years Service. (All "Years Service" shall be based on the Plant's Seniority List.)

### ***C. PAYMENTS***

#### **1. Laid-off Employees (for lack of work only):**

After 14 calendar days on lay-off, \$75/week until either

- a. Employee is recalled.
- b. Exhaustion of his amount accrued by Formula. (In no case shall laid-off benefits be deducted from the amount accrued by Formula in respect to eligible employees during weeks for which the employee receives State Unemployment Compensation benefits.)
- c. 52 weeks

whichever first occurs.

In the event of (c) and an amount accrued remains,

the employee shall have the option of the remaining amount continuing on accrual, or receiving the remaining amount accrued in a lump sum payment.

Payments shall be made without regard to:

- (1) Any other benefit or payment received by the employee.
- (2) His employment status except as covered in (a) above.

An employee laid off, recalled before (b) occurs, and subsequently laid off shall have an accrued amount based on total years of service (figured to nearest complete calendar quarter) less total deducted payments received.

2. Pensioned Employees:

At date of retirement under Company's Retirement Plan, or on the date of his established eligibility for benefits under the Company's Plan of Permanent and Total Disability Benefits, the employee shall have the amount accrued by formula less total payment received, if any. Retirement payments shall reflect only laid-off benefit payments deducted.

3. Death of an Employee: Upon the death of an employee, his designated beneficiary shall receive an amount determined by Formula based on the employee's status at date of death. Death payments shall reflect only laid-off benefit payments paid.

Employees separated for any reason other than layoff, retirement, permanent and total disability, or death shall not receive any payments.

All payments provided hereunder shall be subject to



statutory deductions or withholdings.

## ARTICLE XXI

---

### Duration of Agreement

This Agreement shall become effective July 1, 2001, remains in full force and effect through June 30, 2004, and from year to year thereafter until either party shall elect to change or terminate it by giving written notice to the other of a desire to terminate or change it sixty (60) days prior to July 1, 2004.

IN WITNESS WHEREOF, said parties have caused this Agreement to be executed in their names by their duly authorized representatives this 30th day of June, 2001.

FOR THE UNITED STEELWORKERS OF AMERICA  
LOCAL NO. 937 AFL-CIO-CLC

/s/        Leo W. Gerard  
/s/        Andrew V. Palm  
/s/        James D. English  
/s/        Leon Lynch  
/s/        Terry L. Bonds  
/s/        Carl N. Morris  
/s/        Manny Armenta  
/s/        Kenneth E. Larkin  
/s/        Enrique M. Lopez Jr.

FOR SILVER BELL MINING, L.L.C.

/s/ David J. Duncan  
General Manager

/s/ Thomas H. Phillips  
Mine Manager

/s/ Robert V. Washnock  
SX-EW Manager

/s/ James F. Coxon  
Human Resources Manager

)

## APPENDIX

### TRANSFER RIGHTS PROGRAM

#### Section 1.

- A. Any employee of an existing organized plant of ASARCO Incorporated located in the States of Arizona or Texas, hereinafter "home plant", who is either permanently laid off on or after the date established by the Company for the commencement of a permanent plant shutdown and is not eligible for an immediate pension, or has otherwise been indefinitely laid off for a period of six months or more, and who at the time of the lay-off, either permanent or otherwise, has attained 3 years or more of service with the Company, shall be given priority over other applicants (new hires) for job vacancies (other than temporary vacancies) at any other existing organized plant (acquiring plant) of Asarco Incorporated located in the states referenced above, provided the employee:
1. Is qualified to perform the job (ability and both mental and physical fitness), and
  2. Successfully passes a medical examination, to the satisfaction of the Company. (The requirement to successfully pass a medical examination shall be limited to those employees who have been on lay-off for period of six months or more). Such medical examination may be taken at the employee's home plant. An employee who fails the medical examination and who later passes such examination to the satisfaction of the Company shall be reinstated for consideration

for transfer, provided he still retains recall rights and is otherwise eligible for transfer under this program.

The job vacancies for which employees shall be eligible under this provision shall be only those that are not filled from the particular plant in accordance with the seniority provisions of the Labor Agreement thereat, and in those classifications represented by the Union.

- B. Any such employee hired at an acquiring plant in a maintenance classification above Helper shall be subject to a probationary period of 30 working days. In the event such employee is disqualified, he shall be terminated at the acquiring plant and returned to the recall list at his home plant, provided that recall rights have not otherwise expired. In the event the employee is laid off from the acquiring plant within twelve months of his date of entry thereat, he shall be returned to the recall list of his home plant, provided that recall rights have not expired. If the employee is laid off from the acquiring plant more than twelve months after his date of entry thereat, he shall have recall rights only at that plant and shall forfeit any recall rights he may have had at his home plant. Further, if after the probationary period has expired, the employee is discharged for cause, his recall rights at the home plant shall be similarly forfeited. If an employee hired at an acquiring plant, upon being offered recall at his home plant, elects to return to his home plant according to his seniority, he shall be deemed a quit at the acquiring plant and shall be entitled to no further preferential hiring rights under this program.

- C. An employee shall be given such priority only if he files with the management of the shutdown or home plant a written request for such employment, in accordance with the procedure established by the Company, specifying the other plant or plants at which he would accept employment.
- D. Job vacancies covered under this program shall be offered to qualified applicants on the basis of company wide service. Seniority at the acquiring plant shall accrue beginning on the employee's date of entry at that plant. Company wide service acquired prior to the employee's date of entry at the acquiring plant shall not be recognized thereat for seniority purposes.
- E. An employee laid off who is offered and who accepts a job at another Asarco property in accordance with the foregoing provisions will report for work there within one month from notification of job availability. The Company has the right to fill such vacancy until the transferee reports for work.
- F. If an employee has been laid off for 18 months\*, or if he rejects a job offered to him under these provisions, or if he does not respond within the time required by this Section to such offer directed to his last place of residence as shown on the written request referred to in paragraph (C) above, his name shall be removed from those eligible for priority hereunder.

\*However, for purposes of this program, the 18 month period for employees laid off from Silver Bell and El Paso prior to July 1, 1989, shall commence on July 1, 1989.

## Section 2.

Employees transferred hereunder shall be treated as follows for the purpose of administering the benefits specified below. In all other respects the various Benefit Plans in effect at the acquiring plant shall remain unchanged, and in no event shall there be any duplication of Continuous Service credit or Benefit Accrual or coverage as a result of the application of any provision of this Agreement.

- A. Waiting periods in effect at the acquiring plant for eligibility purposes only, shall be waived in respect to the following:

- Life Insurance Benefit

- Accidental Death or Dismemberment Benefit

- Weekly Sickness and Accident Benefit

- Hospital-Medical-Surgical Benefit

- Dental Benefit

- Vision Care Benefit

- B. Pension Plan and Permanent and Total Disability Benefit Plan

- 1. Pension Plan

- a. Continuous Service: Continuous Service accrued at the shut-down or home plant shall be counted toward meeting the service requirements for vesting and eligibility under the provisions of the Plan in effect at the acquiring plant.

- b. **Accrual of Benefits:** Accrual of Pension Benefits subsequent to date of transfer shall be based on Continuous Service after such date and the terms and conditions, including but not limited to benefit levels, of the Plan in effect at the acquiring plant. Accrual of Pension Benefits for continuous service at the shutdown or home plant shall be determined for Plan participants in accordance with the benefit levels and other terms and conditions of the Plan in effect at the shutdown or home plant at the time of transfer.

## 2. Permanent and Total Disability Benefit Plan

Continuous Service accrued at the shutdown or home plant shall be counted toward meeting the service requirement of the Permanent and Total Disability Plan at the acquiring plant. To determine the "unreduced benefit", that is, the amount produced by application of the appropriate Pension Plan formulae and limiting provisions, the provisions of paragraph 1(a) and (b) above shall apply.

## C. Security and Severance Plan

Where such Plan is in effect at the acquiring plant:

1. The waiting period for eligibility shall be waived.
2. Service at the acquiring plant shall be based upon service on and after date of transfer and benefits attributable to such service will accrue in accordance with the benefit formula and subject to the terms and conditions of the Plan at the acquiring plant, including but not limited to those applicable to LAID-OFF PAYMENTS.

3. The accrued amount under the Plan in effect at the shutdown or home plant and attributable to service thereat, less deductible payments therefrom, shall be determined and carried over as a "credit" subject to being paid out in accordance with the provisions of the Plan at the acquiring plant.

#### D. Vacation Policy

For the purpose of Vacation Policy administration

1. The eligibility and qualification requirements and benefit levels of the acquiring plant apply; however, prior service at the shutdown or home plant shall be allowed for determining continuous service requirements.
2. Vacation Bonus entitlement, if such exists at the acquiring plant, shall be similarly applied.

It is understood and agreed that, where the bargaining unit of the acquiring plant to which an employee is transferred under this Agreement is represented by a labor organization not signatory to this Agreement, the special treatment described in paragraphs A through D above as applicable to benefits at such acquiring plant shall not be made effective unless and until the concurrence of the duly designated representative is obtained.

#### Section 3.

- A. The Company will maintain separate listings of applicants from each shutdown or home plant who have filed a written request with management under Section 1, (C). The Company will provide a list of



these applicants for transfer to the individual designated by the local union(s), in writing, at the respective shutdown or home plants and to the respective Human Resources Department and individual designated by the local union(s), in writing, at the plants that are in a hiring mode. The Company will further provide written notice to the individual designated by the local union(s), in writing, of the acquiring plant, or his designee, of the occurrence of any vacancy being filled under this program. The Company will further notify, by certified mail, employees who are not considered qualified.

- B. The right to file a grievance under this program shall be limited to the qualified employee with the greatest Company service denied the right to transfer to a particular vacancy, except, that disqualification of such employee for medical reasons shall not be a proper subject for the grievance and arbitration procedure. Said grievance must be filed within 20 days of the date on which the Company notifies the individual designated by the local union(s) that the vacancy in question was filled. Said grievance must be filed at the acquiring plant in the last step of the grievance and arbitration procedure.
- C. The operation of this Transfer Rights Program will be subject to periodic review by a representative or representatives appointed by the Company and the Union, respectively, in equal numbers, who shall meet as necessary to review the operation of this Transfer Rights Program. The Company shall supply to these representatives pertinent information relating to the operation of this Transfer Rights Program. The function of these representatives is to

review any problems that arise as the result of the administration of this Transfer Rights Program and to make recommendations to the parties for the solution of such problems.

- D. If any eligible laid-off employee or the Union requests information concerning job opportunities, expected hiring dates and pre-employment requirements at another plant covered by this Agreement, the plant will promptly communicate with such other plant and, upon receipt of reply, pass on this information to such laid-off employee and the Union, if not viewed as privileged or confidential by the Company. This will not guarantee employment because employment needs are not precisely predictable, nor will it create any obligation on the part of either plant, but is a service which should be beneficial to a laid-off employee genuinely seeking other employment within the Company.

#### Section 4.

The transfer rights under this program are subject to applicable law and other contractual or legal requirements that are, or become, binding upon the Company.

#### Section 5.

This Transfer Rights Program shall be effective July 1, 1989

Notwithstanding anything to the contrary in this Labor Agreement or the Transfer Rights Program, any employee who transferred from his "home" plant to an "acquiring" plant shall have a one-time opportunity to return to his home plant to fill an available position. A position is "available" only if no employees remain on layoff from the home plant who would have recall rights to that position and the position otherwise would be filled by a new hire. This opportunity must be exercised during

the first thirty-six (36) months after leaving the home plant and is subject to the terms of the Transfer Rights Program except as modified herein. If more than one employee seeks return to the same position, the senior qualified employee will have priority.

## EXHIBIT A

Current hourly wage rates will be increased \$.50 across the board effective either (1) the beginning of the first payroll period after which the average COMEX price of copper is \$1.00 per pound or more for thirty (30) consecutive days; or (2) July 1, 2002 whichever comes first. Hourly wage rates will be increased an additional \$.50 across the board effective July 1, 2003.

<u>JOB TITLE</u>	<u>WAGE RATE PER HOUR</u>		
	<u>4/2001</u>	<u>7/1/02</u>	<u>7/1/03</u>
Shovel Operator, 20-Yard Front End Loader-Pit Production, Leadman-Electrician, Leadman-Mechanic .....	19.241	19.741	20.241
Electrician 1st Class, Mechanic 1st Class, Machinist, Leadman-Repair .....	18.902	19.402	19.902
Welder 1st Class, Repairman 1st Class, Tireman .....	18.583	19.083	19.583
Rotary Drill Operator, Leadman-Leach, Leadman-Labor .....	18.263	18.763	19.263
Motor Grader Operator, Dozer Operator, SX Operator, 20-Yard Front End Loader-Plant Truck Instructor .....	17.944	18.444	18.944

## EXHIBIT A (Continued)

JOB TITLE	WAGE RATE PER HOUR		
	<u>4/2001</u>	<u>7/1/02</u>	<u>7/1/03</u>
Heavy Truck Driver .....	17.603	18.103	18.603
Repairman 2nd Class, Mechanic 2nd Class, Electrician 2nd Class, Welder 2nd Class .....	17.417	17.917	18.417
Field Lubrication Man, Heavy Equipment Operator, Water Truck Driver .....	17.283	17.783	18.283
EW Operator, Leach Operator .....	16.964	17.464	17.964
Repairman 3rd Class, Mechanic 3rd Class, Electrician 3rd Class, Welder 3rd Class .....	16.823	17.323	17.823
Sampler, Powder Man .....	16.675	17.175	17.675
Light Equipment Operator, Powder Truck Driver, Light Truck Driver .....	16.356	16.856	17.356

## EXHIBIT A (Continued)

JOB TITLE	WAGE RATE PER HOUR		
	<u>4/2001</u>	<u>7/1/02</u>	<u>7/1/03</u>

### Employees Hired Before 5/22/95

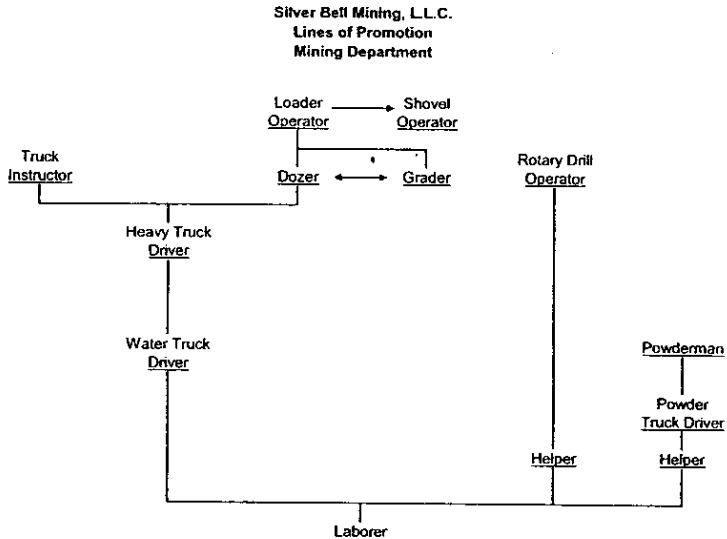
Helper	16.208	16.708	17.208
Laborer	15.856	16.356	16.856

### Employees Hired On or After 5/22/95

Helper	15.285	15.785	16.285
Laborer	14.595	15.095	15.595

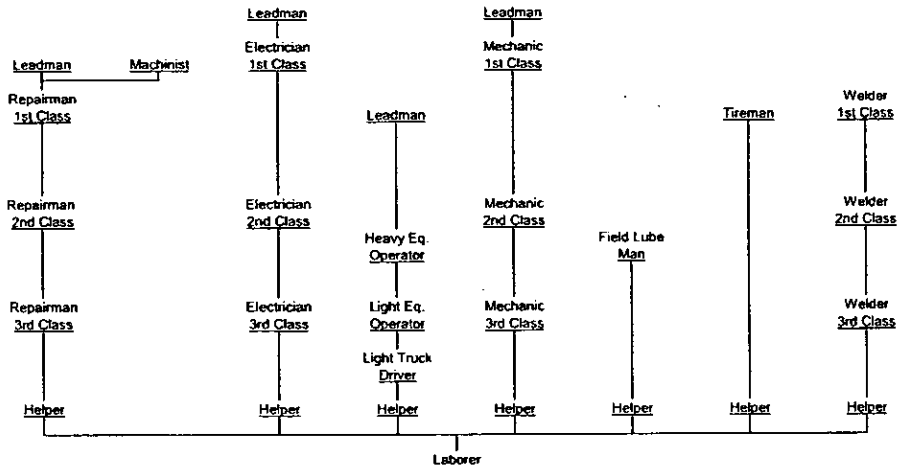
The Hiring Rate for Laborer Classification at the respective plants/units shall be \$2.00 per hour less than the contract Laborer Rate for the first 1,040 hours worked and \$1.00 per hour less than the contract Laborer Rate for the next 1,040 hours worked by persons hired on or after July 1, 1983. However, such employees shall be paid at the contract rate applicable to the work performed in higher rated classifications during this 2,080 hour period.

# EXHIBIT B Map



# EXHIBIT B MAP (CON'T.)

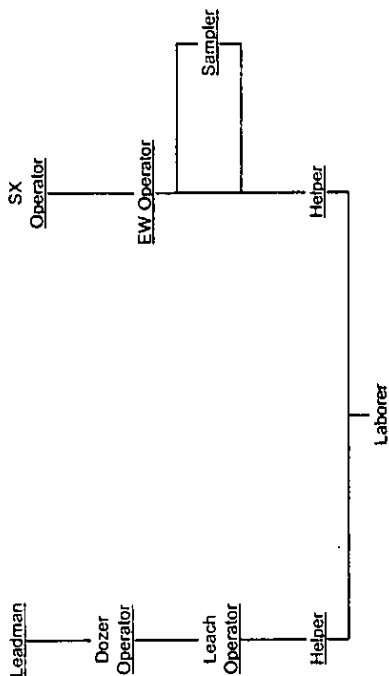
## Silver Bell Mining, L.L.C. Lines of Promotion Mechanical Department





# EXHIBIT B MAP (CON'T.)

## Silver Bell Mining, L.L.C. Lines of Promotion SXEW Department



K# 2589

**AGREEMENT**

**BETWEEN**

**ASARCO INCORPORATED**

**AMARILLO COPPER REFINERY**

**AND**

**UNITED**

**STEELWORKERS**

**OF AMERICA**

**LOCAL 5613**

**AMARILLO, TEXAS**

**July 1, 2001 to June 30, 2004**

64 - pages

# CONTRACT INDEX

	Page
Agreement, Purpose of .....	4
Agreement, Tenure of .....	49
Arbitration, Grievance .....	16-18
Assignment, Form .....	6-7
 Bargaining Agent .....	4
Bargaining Unit .....	4
Bereavement Pay .....	40-41
Bidding Procedure .....	12-13
Bulletin Boards .....	5
 Call-In in Advance of Shift .....	9
Check-off, Payroll Deduction .....	6-7
Collection, Money .....	51
Cost of Living .....	45
 Death in Family .....	40-41
Departments in Plant .....	11
Discharge, Employee .....	5, 10-11
Dues, Deduction of .....	6-7
Duration of Agreement .....	49
 Employee, Probationary .....	10
Employee, Contract Applicable to .....	4
Examination, Physical and Medical .....	48
 Grievance, Arbitration of .....	18
Grievance, Committeeman .....	17
Grievance, Definition of .....	16
Grievance, Procedure .....	16-18
Grievance, Time Limits .....	16-18
 Health-Welfare, Vision Care, Prescription Drug, Dental Life Insurance, PSA and 401k Benefits .....	24-39
Holiday, During Vacation .....	22
Holiday, Pay and Rules .....	22
Holidays .....	21-22
Hours of Work .....	7, 8
 Job Assignment .....	8, 14-15

Job Classification .....	52-55
Job Posting .....	11-13
Job Qualifications .....	14-15
Jury Service .....	40
Lay-Off, Provisions .....	15
Lay-Off, Voluntary .....	15
Leave of Absence .....	41-42
Managed Care .....	25-26
Management Rights .....	4-5
Membership Union .....	6-7
Membership, Union Assignment Cards .....	6-7
Military Duty .....	41
Non-Discrimination Clause .....	6
Notification, Regarding Agreement .....	49-50
Overtime Provisions .....	9-10
Pay, Call-Outs .....	8-9
Pay, Holiday Premium .....	21
Pay, Reporting .....	7-8
Posting New Jobs or Job Vacancies .....	11-13
Preferred Provider Network .....	25
Promotion to Foreman or Salary Position .....	11
Qualifications, Job .....	13-14
Recall Provisions .....	15-16
Recognition .....	4
Reduction in Work Force .....	14
Safety and Health .....	42-45
Savings Plan (401(k) Plan) .....	39-40
Security and Severance Plan .....	46-47
Seniority, Department .....	10-13
Seniority, General .....	10-16
Seniority, List .....	10
Seniority, Loss of .....	10
Seniority, Plant .....	10
Seniority, Probationary Employees .....	10
Separability .....	49
Shift Differentials .....	19-20

Solicitation or Collection of Money .....	48
Solicitation, Membership .....	5
Strikes and Lockouts .....	19
Transfer Rights Program .....	56-62
Transfers .....	10-16
Trial Period, Job Vacancy .....	14-15
Union Rights (Activity, Restrictions) .....	5-6
Union Membership, Voluntary .....	5
Vacancy, Permanent .....	12-13
Vacancy, Temporary .....	13-14
Vacation, Pay and Rules .....	22-23
Wages, Exhibit A .....	51
Wages, General .....	19-20
Wages, Holiday .....	21-22
Wages, Overtime .....	7-10
Wages, Rates .....	51-55
Wages, Shift Differential .....	19-20
Work by Supervision .....	48
Work Day and Week, Defined .....	7-8
Work Schedule .....	8
Work Stoppage .....	19

## **Preamble**

This Agreement, dated April 26, 2002 is by and between ASARCO Incorporated, Amarillo Copper Refinery (hereinafter referred to as "the Company"), and the United Steelworkers of America, AFL-CIO (hereinafter referred to as "the Union").

## **Article I Purpose**

The purpose of the Company and Union in entering into this Labor Agreement is to set forth their agreement on rates of pay, hours of work and other terms and conditions of employment so as to promote orderly and peaceful relations with the employees to achieve uninterrupted operations in the plant, and to achieve the highest level of employee performance consistent with safety, good health, and sustained effort. The Company and the Union encourage the highest possible degree of friendly cooperative relationships between their respective representatives at all levels and with and between all employees.

## **Article II Recognition**

Section 1. The Company hereby recognizes the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment for the production and maintenance employees of the Company as certified by the National Labor Relations Board in Case No. 16-RC-7100 and 16-RC-7108 dated May 5, 1976.

Section 2. The term "employee" shall exclude all office, clerical employees, clerk weighers, counter clerks, shipping and receiving clerk, technical, and laboratory employees, instrument technicians, fire equipment inspectors, professional employees, skilled and apprentice electricians, guards and supervisors as defined in the Act.

## **Article III Management Rights**

Section 1. The management, control, and direction of the Plant, business, operations, and employees, and all other managerial rights and functions, are vested solely and exclusively in the Company.

**Section 2.** The rights referred to in Section 1 shall be deemed to include, but shall not be deemed to be limited to, the right to alter, rearrange, change, extend, limit, suspend, curtail, or discontinue operations or any part thereof, to determine the number of employees and the combinations of labor classifications to be assigned, the extent and nature of the work to be performed, the manner of performance and the equipment to be used, to establish working schedules, to prescribe operating safety rules, and to acquire, manage, direct and discipline and discharge for just cause the employees.

**Section 3.** All rights herein set forth or otherwise retained which the Company has not expressly modified or restricted by a specific provision of this Agreement are retained and vested exclusively in the Company, and only a claim that the application of the terms and conditions of this Agreement has been violated by the exercise of these rights shall be subject to the grievance and arbitration procedure.

#### **Article IV Union Rights**

**Section 1.** The Company will not interfere with, restrain, or coerce employees because of membership or lawful activity in the Union and agrees that there will be no discrimination because of Union membership.

**Section 2.** The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work or in respect to Union activity or membership.

**Section 3.** The Union agrees that there will be no interference with the work of others nor shall they take time out of their own work activities to solicit or recruit membership in the Union.

**Section 4.** The Company shall provide an enclosed, locked, bulletin board at the main exit from the Plant and one in each major operating building and the Main Change House for the posting of Union notices.

Said notices shall be limited to Union business and signed by a Union official before being posted. The Company shall have the right to remove any matter posted which it deems may improperly involve the Company in any adverse way.

**Section 5.** The Union will furnish the Industrial Relations Manager with a list of all Local Union Officers and their titles. The Union shall notify the

Industrial Relations Manager in writing of subsequent changes, and the Company shall recognize such Officers upon receipt of said notification.

**Article V**  
**Non-Discrimination**

**Section 1.** The Company and the Union agree that there shall be no discrimination because of race, color, creed, age, sex, national origin, disability or status as a disabled veteran or veteran of the Vietnam Era.

**Article VI**  
**Check Off**

**Section 1.** It is agreed that an initiation fee (if owed) and monthly dues and assessments (if owed) for each member of the Union in amounts as authorized shall be deducted from the pay of the employee upon written authorization to the Company from each individual employee. This authorization shall be upon a form as set forth in Section 2 below, furnished by the Union and approved by the Company, and all such monies collected in this manner shall be remitted by the Company to the International Treasurer, United Steelworkers of America, P. O. Box 98517, Chicago, Illinois 60693.

**Section 2.**

**Check-Off Authorization**  
**For United Steelworkers of America**

\_\_\_\_\_  
Company

\_\_\_\_\_  
Plant

(date) \_\_\_\_\_

Pursuant to this authorization and assignment, please deduct from my pay each month, while I am in employment within the collective bargaining unit in the Company, monthly dues, assessments and (if owing by me) an initiation fee each as designated by the International Treasurer of the Union, as my membership dues in said Union. The aforesaid membership dues shall be remitted promptly by you to the International Treasurer of the United Steelworkers of America, or its successor, P. O. Box 98517, Chicago, Illinois 60693.



This assignment and authorization shall be effective and cannot be canceled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods, above specified for further successive periods of one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be canceled by me during any of such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed, an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen days following the expiration of any such year or within the fifteen days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; a copy of any such notice will be given by me to the Financial Secretary of the Local Union.

Local Union No. \_\_\_\_\_  
United Steelworkers of America

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

Check No. \_\_\_\_\_

Ledger No. \_\_\_\_\_

**Section 3.** The sole authorized representative of the Union for the purpose of certifying any change in monthly dues, or initiation fees, or any assessments which may be levied, and which are to be deducted by the Company, shall be the International Treasurer.

#### **Article VII** **Work Week and Overtime**

**Section 1.** The regular work week shall commence at 12:01 a.m. Monday and end at 12:00 midnight the following Sunday. The work day is a period of twenty-four (24) consecutive hours commencing at the starting time of

a particular employee's work shift. The standard work shift is eight (8) hours and is the number of hours that may be worked in a work day free of time and one-half overtime compensation. However, nothing contained in this Agreement shall be construed as a guarantee of work or of any particular schedule.

**Section 2.** The scheduled work week comprises the assignment by the Company of regular shifts of work to be performed within a work week by an employee. The scheduled work week is established as such from time to time by a notice posted not later than the end of the day shift Thursday prior to the commencement of the work week. An employee required to work on his scheduled day off shall not be required to take off a scheduled shift in that work week to avoid overtime.

**Section 3.** Time and one-half shall be paid for all time worked in excess of eight (8) hours in a work day, or in excess of forty (40) hours in a work week; but there shall be no pyramiding of this overtime pay, both daily and weekly overtime shall not be paid for the same overtime hours worked. Time and one-half for time worked in excess of eight (8) hours in a work day shall not apply when the time in excess of eight (8) is caused by:

1. Shift changes.
2. Relief for swing men's regular assignments requiring them to work two (2) shifts in a twenty-four (24) hour period.

**Section 4.** Any employee called for work between his regular shifts shall be guaranteed a minimum of five (5) hours pay.

**Section 5.** An employee required to begin work in advance of his scheduled starting time shall not be required to lay off that day a corresponding interval in advance of his scheduled finishing time.

**Section 6.** When an employee reports for work on a regular shift, or is instructed to report for work on a special shift, and upon reporting at the scheduled time, he shall be given eight (8) hours work at his regular rate, in whatever job classification is available as determined by Management, unless that employee is notified at least eight (8) hours prior to the starting time not to report. Notification will be by telephone. If the employee provides no telephone number to the Company, the notification requirement is waived. An unanswered telephone call will be the same as notification. The foregoing shall not apply where the employer's failure to provide work is occasioned by, or results from:

1. Plant delay, resulting from causes beyond the control of the Company, and the employee is notified at least two (2) hours prior to his starting time not to report, or
2. When an employee has been absent for one shift or more and said employee fails to notify the departmental supervisor then in charge at least eight (8) hours prior to the commencement of this shift to which the employee intends to return.

**Section 7.** Where practical, overtime work will be distributed as equitably as possible within a crew, consistent with the efficient conduct of the operation. Distribution of overtime shall be accomplished as follows:

- A. A record shall be maintained and posted weekly in each department of overtime hours worked or charged.
- B. Unscheduled overtime opportunities shall first be offered to the available low overtime qualified employee(s) at work in the classification and department. Scheduled overtime will be accomplished when the Supervisor prepares the weekly work schedule by scheduling the available low overtime qualified employee(s) in the classification and Department; however, more than 12 consecutive work hours will not be scheduled where practical. The low overtime employee qualified to perform the work must accept an overtime assignment where additional overtime help is required or where other employees are not available. Employees not available for overtime for acceptable reasons will be "charged" with the number of overtime hours worked by the employee so assigned.
- C. The employees who elect to change Crews, Departments, or Job Classifications and new or recalled employees shall be charged with the average overtime hours of the other employees in the Crew and Classification. Overtime hours for the selected applicant for a permanent vacancy will be averaged at the end of the thirty (30) day trial period noted in Article VIII, Section 10, or earlier in the event supervision and the selected applicant mutually agree to the early completion of the trial period. In this event the applicant may not thereafter decide not to remain in the job.
- D. Employees who have not been available for overtime opportunities for 7 consecutive days or more for any reason whatsoever will be

given the option of being charged or not being charged with the average overtime hours of the other employees in the Crew and Classification. Such option will be made in writing and the Company will not be liable for inequitable overtime distribution due to exercise of such option.

**Section 8.** In the event an employee works six (6) days in the regularly scheduled workweek, such employee shall receive time and one-half for the sixth day, and in the event the employee works seven (7) days in the regularly scheduled workweek, he shall receive double the regular rate of pay for such seventh day; provided that work of four (4) or more hours duration performed on any shift that is not a continuation of a previous shift shall constitute a working day for the purpose only of determining a sixth or seventh day; but this shall not result in any premium pyramid of whatever type.

## **Article VIII**

### **Seniority**

**Section 1.** Each employee hereafter employed by the Company shall not be considered a regular employee of the Company until after a probationary period of 600 hours worked, during which time he shall familiarize himself with his job, safety rules and other Company rules and regulations. During this probationary period, the Company may, in its sole discretion, transfer or discharge the employee. Employees retained after this probationary period acquire seniority status from the first day of employment.

**Section 2.** The Plant seniority list, which will be corrected in January and July each year, will show the names of the employees by the Department and with respect to each employee said list will show the following dates:

1. Company seniority date, which is defined as employee's length of continuous service at the Amarillo Copper Refinery in respect to his last date of hire.
2. The Company, on Wednesdays, will provide the Union with a list of laid-off bargaining unit employees for the prior work week ending Sunday.

Each Department list shall be posted in its respective Department. A copy of the complete list shall be given to the president of the Local Union.

**Section 3.** An employee's seniority shall be terminated by:

1. Discharge for just cause.
2. Quit.
3. Expiration of a period of twenty-four (24) months since he last worked for the Company.
4. Failure to return to work when called as provided in Section 12 hereof.
5. After completion of the probationary period, expiration of a period of twenty-four (24) months on layoff except that employees with three (3) or more years of seniority as at commencement of layoff shall have recall rights and accumulate seniority for up to thirty-six (36) months.

**Section 4.** If an employee occupies a non-bargaining unit position, and is returned to the bargaining unit within six (6) months, he shall retain seniority rating as of the date he left the bargaining unit, and be placed in a classification within the Unit to which his qualifications and seniority entitle him.

**Section 5.** For the purposes of departmental seniority, the Departments shall be as follows:

1. Anode Casting.
2. Selenium-Tellurium.
3. Precious Metals.
4. Nickel Sulfate.
5. Electrolytic Refining (Tankhouse).
6. Rod Casting.
7. Cake Casting.
8. Mechanical.
9. Boiler.
10. Materials Handling.
11. Plant Labor Pool.
12. Scrap.

**Section 6.** A permanent vacancy is defined as and limited to: a job left vacant by reason of an employee leaving one job permanently to take another within the Plant, or an employee leaving permanently the employ of the Company, or a new and permanent job created by the Company, or a temporary vacancy of more than forty-five (45) days, with the exception of temporary vacancy caused by accident, injury, sickness, leave of absence, military

encampment, jury duty, vacation, and other similar periods of absence. If the Company notifies the Union at any time during a temporary vacancy of 45 days that such vacancy is expected to exceed 45 days, the temporary vacancy time period will be extended to 90 calendar days. If the Company notifies the Union at any time during the 45 day extension period that such vacancy is expected to exceed 90 days, the temporary vacancy time period will be extended to 180 calendar days.

Section 7. If the Company finds it necessary to fill a permanent vacancy, as defined in Section 6 above, it shall be filled in the following sequence:

1. A notice for jobs at wage rates 5 to 12 in the Operating Departments, and the top wage rates in the Mechanical Department occupations, will be posted in the Department that will give the job classification in which the vacancy exists and shall be posted for five (5) working days and then be taken down, closing the period of bidding. An employee wishing to apply for any posted vacancy will do so by signing the posted notice. If selection for the vacancy would constitute a lateral or downward movement (based on wage rate), Company approval of the application must be obtained. The job shall be awarded to the senior qualified bidder within the Department.

If there are no qualified employees bidding on these posted job vacancies, a notice will be posted at the Plant entrance that will give the Department and job classification in which the vacancies exist and shall be posted for seven (7) working days and then taken down, closing the period of bidding. An employee wishing to apply for any posted vacancy will do so by signing the posted notice. The job shall be awarded to the senior bidder except if a junior bidder has previously been bid-in to the posted job and the senior bidder has not.

2. For all jobs at wage rates 1 to 4 in the Operating Departments and entry rate 4 in the Mechanical Department Training Program, a notice will be posted at the Plant entrance that will give the Department and job classification in which the vacancy exists and shall be posted for seven (7) working days and then taken down, closing the period of bidding. An employee wishing to apply for any posted vacancy will do so by signing the posted notice. The job shall be awarded to the senior bidder, "senior" herein meaning based on Plant seniority, excluding Rate 4 in the Mechanical

Department Training Program which is entered only after passing a qualifications test.

3. Mechanical Department classifications in wage grades 5 through 11 are classifications to which Mechanical Department employees are assigned and through which Mechanical Department employees are promoted and are, therefore, not permanent vacancies and are not posted. Permanent vacancies not filled by the procedures in Items 1 and 2 above will be filled from any source.
4. If there are no successful bidders on a posted job or there are no probationary employees for assignment to the job, the Company may assign the least senior Plant Labor Pool employee to the job or the Company may fill the job with a new hire as employment requirements permit and a qualified applicant is available.
5. For the period of time necessary to fill a permanent vacancy, the Company may select anyone it desires to perform the job.
6. A maximum of two (2) successful job bids per employee are allowed in any twelve (12) consecutive months period. A successful bid does not include: 1) Upward bid within home department, 2) Disqualification from bid by Company. All other bids counts as a successful bid.
7. The Company shall place the selected applicant on the bid-for job as soon as practical, but not later than 30 days; however, if the employee cannot be so placed within the 30 day period, the employee will be paid at the bid-for job rate, if a higher rate than the employee's current job classification rate, beginning on the 31st day.
8. If the selected bidder is unable to accept assignment to such job within sixty (60) calendar days, the bidder will be removed from the job posting bid list.

**Section 8.** A vacancy other than a permanent vacancy as described in Section 6 above shall be deemed a temporary vacancy. If the Company finds it necessary to fill a temporary vacancy, it shall be filled as follows:

1. By a qualified employee on the shift involved for an unplanned, unscheduled temporary vacancy of four (4) days or less.

2. Employees reduced from their permanent classification, and still within the department, will be used to fill a planned scheduled temporary vacancy of five (5) days or more in such classification, unless the employee is filling a higher rated temporary vacancy than their permanent classification. The senior qualified employee in the department will be given the first opportunity to fill a higher-rated planned, scheduled temporary vacancy of five (5) days or more. If the senior qualified employee declines the opportunity it will be offered to other qualified employees in the department by seniority with the understanding that the junior qualified employee in the department must accept the assignment.
3. If a temporary vacancy of more than 45 days occurs as a result of injury or illness and the Company chooses to fill it and there is an employee who has been reduced from that job classification, the Company will restore the reduced employee to that job classification until the temporary vacancy ceases or the injured or ill employee returns to work, at which time the restored employee would be reduced again.
4. If there is no such qualified employee, the temporary vacancy will be filled from any source.

An employee filling a temporary vacancy shall upon its termination return to the classification from which he was transferred without loss of seniority.

**Section 9.** Selection shall be based on seniority, skill, ability, experience and physical fitness to meet the requirements of the job. Determination of these qualifications shall be made by the Company fairly and in good faith, however, the determination is subject to the grievance procedure. If, on the basis of these qualifications, the Company considers two or more applicants qualified for a vacancy, seniority will be the deciding factor.

**Section 10.** The selected applicant for a permanent vacancy shall be given a maximum of thirty (30) working days to demonstrate his ability to satisfactorily perform the job, provided the employee can be immediately removed if he endangers life, limb or property. If such employee fails to satisfactorily perform the job within the said period, or within the first fifteen (15) working days of his trial period he decides not to remain in the job, he shall be returned to his former job without loss of seniority. If such employee is not returned to his former job within thirty (30) working days, and it is a higher rate of pay, the employee will receive the higher rate beginning on the thirty-first



working day. In this event, another applicant shall be selected in accordance with Section 7, utilizing the original bid list if necessary.

**Section 11.** In reduction of work force, employees affected thereby shall exercise their seniority in the following manner:

1. An employee shall exercise his seniority to claim a job laterally or lower in the Department for which he is qualified.
2. In the event an employee cannot remain in his Department by virtue of Section 11 (1) above, he then shall exercise his Plant seniority to be assigned a job in wage grades 1 through 4 in another Department, excluding wage grades 4 and above in the Mechanical Department, providing he has the qualifications to do the work required.
3. In the event the employee cannot be assigned to a job in another Department in accordance with Section 11 (2) above, he then shall exercise his Company seniority to be assigned a job in the Plant Labor Pool Department.
4. In the event an employee is to be reduced from his present job due to a reduction of work force, he may accept layoff instead of demotion. If so laid off, he will be recalled when the job he left is restored, based on his seniority.

**Section 12.** When recall takes place, the employee last laid off shall be recalled first and so on, down through the layoff list, providing an employee so recalled has the qualifications to do the work required. On the restoration of work force, employees who had been demoted out of classifications shall be returned to their respective classifications based on their Plant seniority.

Any employee who has been laid off, but whose seniority has not been terminated in accordance with Section 3, shall keep the Company advised as to his address and will be notified when his services are again required. Such employee shall have five (5) days from the date of receipt by him of registered or certified notice in which he must notify the Company of his intention to accept employment, and such employee must present himself for employment within ten (10) days from the date on which such registered or certified notice is received.

It is agreed that failure on the part of such employee to notify the Company of his acceptance of employment within five (5) days from the date of

receipt by him of such registered or certified notice, or his failure to report for such employment within the ten (10) day period from the date of such registered or certified notice was received by him, he shall be considered to have quit.

## **Article IX Grievance and Arbitration**

**Section 1.** All grievances, defined as and limited to alleged violation of or non-compliance with the specific provisions of this Agreement, shall be presented and processed in accordance with the procedure hereinafter set forth; provided, however, that no grievance will be considered or processed while a prohibited act as set forth in Article X interferes with the orderly operation of the Plant.

**Section 2.** The Union shall designate a Grievance Committeeman from each department, as set forth in Article VIII hereof, who shall have the authority to deal with Company representatives on all grievances arising in his department. The respective Grievance Committeeman and the Local Union President and the Aggrieved (for Steps 'A', 'B' and 'C' only; and only one aggrieved if there is more than one aggrieved on the grievance) shall suffer no loss in pay for excused straight time hours away from their jobs while processing a grievance in accordance with the procedure set forth below.

**Section 3.** The grievance procedure, which shall not be used to obtain a revision of or addition to the existing contract, is as follows:

- Step A**      The grievance shall be filed verbally within forty-eight (48) hours of the occurrence, Saturday, Sunday or holiday excluded. The grievance shall be discussed within twenty-four (24) hours of the verbal filing of the grievance, Saturday, Sunday or holiday excluded, between the aggrieved employee and the Supervisor and/or designated representative of the department involved, and with the presence of his Grievance Committeeman. The Company shall answer the grievance within twenty-four (24) hours of the presentation, Saturday, Sunday or holiday excluded.

The grievance must be reduced to writing, signed by the aggrieved employee and his Grievance Committeeman and presented for Step B within seventy-two (72) hours of the Company's answer, Saturday, Sunday or holiday excluded,

or it shall be considered settled on the basis of the Company's answer.

**Step B**

The grievance shall be discussed within seventy-two (72) hours, Saturday, Sunday or holiday excluded, of the written presentation for Step B between the aggrieved employee, his Grievance Committeeman, the local Union President, or Vice President, or Chairman of the Grievance Committee, and the Coordinator and/or Area Manager of the department involved and/or designated representative. The Company shall answer the grievance within five (5) days, Saturday, Sunday or holiday excluded. The written grievance must be presented for Step C within seventy-two (72) hours of the Company's answer, Saturday, Sunday or holiday excluded, or it shall be considered settled on the basis of the Company's answer.

**Step C**

A discharge grievance shall be discussed at the next scheduled Step C meeting, if presented for Step C at least three (3) days prior to the Step C meeting, Saturday, Sunday, holiday excluded, and any other grievance shall be discussed at the next scheduled Step C meeting, if presented for Step C at least seven (7) days prior to the meeting Saturday, Sunday or holiday excluded between the aggrieved employee, his Grievance Committeeman, the local Union President or his designated representative, the Staff Representative of the International Union and the Industrial Relations Manager of the Plant and/or the Coordinator and/or the Area Manager of the department involved or their designated representatives. The Company must notify the Union of its decision in writing within five (5) days following the meeting, Saturday, Sunday or holiday excluded.

If the Union does not accept the decision, the Union must notify the Company in writing within ten (10) days of its intent to arbitrate. Failure to advise of intent to arbitrate within the ten (10) day period shall automatically constitute a settlement on the basis of the Company's answer. Failure of the Union to notify the Company to select an arbitrator for the subject grievance within eighteen (18) months following the date of the filing of the notice of intent to arbitrate will result in that grievance being resolved on the basis of the Company's last answer.

**Section 4.** Decisions arrived at, either through agreement or expiration of the time limitations, shall be final and binding on all parties, but in the event an agreement cannot be arrived at, the grievance will go to arbitration in accordance with the terms and conditions of Section 5 of this Article.

**Section 5.**

1. The parties will make every effort to agree upon the designation of a fair and impartial person to act as arbitrator. If the parties are unable to agree on a designation, they shall submit a joint request to the Federal Mediation and Conciliation Service for submission of a panel of seven (7) names. From this panel, or subsequent panels, if none of the names on a panel are acceptable, a single name shall be selected and designated to act as arbitrator. The arbitrator so selected shall be empowered to hear and decide only one grievance.

The arbitrator's decision shall be in writing, served on both parties to the Agreement. It shall be final and binding on all parties unless the arbitrator has exceeded the authority granted him by this Agreement. The fee and expense of the arbitrator shall be borne equally by the Company and the Union. The arbitrator shall have no authority or discretion to alter, amend, modify or add to any provision of this Agreement, or to decide any matter not covered by a specific provision of this Agreement.

In arbitration cases involving discharge, such case will be heard by the next available arbitrator in rotation that has a date available within forty-five (45) days following the appeal to arbitration (e.g. the third arbitrator in rotation has a date within forty (45) days, he would be assigned the case.) Such arbitrator would be directed to render a decision within thirty (30) days following the hearing. If no arbitrator has such an available date, the parties will select an ad hoc arbitrator to hear the case in accordance with this provision.

**Section 6.** Any grievance concerning discharge for just cause or disciplinary suspension of an employee shall be filed initially at Step "B" of the grievance procedure provided, however, that failure to so file within three (3) days from said discharge or suspension, Saturday, Sunday or holiday excluded, shall constitute acceptance of the discharge or suspension by all parties.

## **Article X**

### **No Strike; No Lockout**

**Section 1.** The Union agrees that during the term of this Agreement there shall be no strike, work stoppage, interruption, interference or impeding of work. No officer, representative or member of the Union shall threaten, authorize, instigate, aid or condone any such activities. No employee shall participate in any such activities.

**Section 2.** Any employee who violates this Article shall be subject to discipline or discharge by the Company, with right of appeal to the grievance procedure, and if arbitrated, the arbitrator's authority limited solely to the question of whether or not such employee engaged in any of the prohibited acts.

**Section 3.** The Company agrees that during the term of this Agreement there shall be no lockout of employees.

## **Article XI**

### **Wages; Shift Differential**

**Section 1.** The rates of pay as set forth in Exhibit "A" attached hereto and made a part hereof shall become effective as shown on Exhibit "A" and remain in effect through June 30, 2004.

**Section 2.** When a new permanent department and/or classification and rate therefor is created or combined by the Company after the signing of this Agreement, the Union will be notified in writing within ten (10) days of the classification and the rate which has been set for that classification. If the Union disagrees with the rate, it will notify the Company within ten (10) days from the date the Company notifies the Union of the new classification. Failure of the Union to notify the Company within ten (10) days will be deemed that the Union agrees with the rate which has been set for that classification.

If the Union disagrees with the rate the Company establishes for such new classification, it may take the matter up through the grievance and arbitration procedure; provided, however, that the grievance shall only be concerned with the relationship of such new rate with the general rate structure and the arbitrator's decision will be so confined. It is specifically understood that the right of the Company to establish, combine, or eliminate job classifications is not subject to the grievance and arbitration procedure of this Agreement.

**Section 3.** Employees shall be paid at the appropriate rate for the job performed. Employees, who as a part of their regular job classification relieve other employees on a higher rated job, will not be paid at the higher rate until, or unless, he is on the higher rate job for four (4) hours or more. In that case, he will be paid at his regular job classification for the hours worked on his regular job classification and will be paid at the higher rate job classification for the hours worked on the higher rated job classification. If any employee, during his work day is temporarily transferred to a job which carries a lower rate, he shall receive his regular rate for the remainder of his work day. For any continued such temporary work on the ensuing day, he shall be paid at the rate of the job on which he is temporarily employed.

**Section 4.** For the purpose of determining the application of shift differentials, the shifts shall be defined as follows:

- Day or First Shift: a work shift starting between 5:00 a.m. and 11:59 a.m.
- Afternoon or Second Shift: a work shift starting between 12:00 noon and 8:59 p.m.
- Night or Third Shift: a work shift starting between 9:00 p.m. and 4:59 a.m.

Employees on the day shift shall receive no shift differential for work during their regular shift hours; overtime hours worked immediately following their regular shift hours shall receive the afternoon shift differential.

Employees on the afternoon shift shall receive a shift differential of thirty (30) cents per hour for work during their regular shift hours; overtime hours worked immediately following their regular shift shall receive the night shift differential.

Employees on the night shift shall receive a shift differential of forty-five (45) cents per hour for work during their regular shift hours; overtime hours worked immediately following their regular shift hours shall receive no shift differential.

## **Article XII**

### **Holidays**

**Section 1.** The Company shall recognize the following days as Holidays:

1. January 1st
2. Washington's Birthday
3. Good Friday
4. Memorial Day
5. July 4th
6. Labor Day
7. Veteran's Day
8. Thanksgiving Day
9. Christmas Day

Holidays will be celebrated according to National or area directives regarding observance.

**Section 2.** Each employee on the active payroll of the Company on these days, who meets the qualifications as hereinafter provided in this Article, will receive one shift's pay at his regular straight time rate, exclusive of shift differentials, as Holiday pay. All employees who work on these days shall receive time and one-half their straight time rate for all hours worked in addition to the above-mentioned Holiday pay.

**Section 3.** The following qualifications and conditions shall apply to Holiday pay:

1. An employee must have been on the Company's payroll continuously 480 hours worked prior to the Holiday in question.
2. An employee must work his last scheduled shift immediately preceding the holiday and his first scheduled shift immediately following the holiday. However, if an employee has not worked either the day previous or the day following a holiday due to proven illness, jury duty, appearance in court, death in immediate family, proven injury or certified Union business, but has worked the other required day, he is entitled to holiday pay. A doctor's certificate will be required as evidence of proven illness or injury. Jury duty or appearance in court must be supported by customary written

summons. "Death in immediate family" shall be limited to the definition in Article XVI. Certified Union business must be supported by written notification.

3. If an employee has not worked any shifts within one week of a holiday for any reason other than vacation he shall not receive Holiday pay.
4. If an employee is scheduled and assigned to work on a Holiday and does not work, he shall receive no Holiday pay.
5. Holidays not worked shall not be considered as time worked in the computation of weekly overtime.

### Article XIII Vacation

**Section 1.** Employee shall be entitled to a vacation in accordance with the following schedule:

<u>Years of Service</u>	<u>Length of Vacation</u>	<u>Vacation Pay</u>
One Year	1 week	40 Hours
Two Years	1 week	56 Hours
Three years and less than ten years	2 weeks	80 Hours
Ten years and less than seventeen years	3 weeks	120 Hours
Seventeen years and less than twenty-five years	4 weeks	160 Hours
Twenty-five years or more	5 weeks	200 Hours

"Years of Service" shall be based on the employee's Plant seniority.

**Section 2.** To qualify for a vacation, twelve hundred (1200) hours must have been worked during the previous calendar year. However, Holidays paid hours and vacation pay hours shall count toward this requirement. Time lost on a regularly scheduled hours basis up to 240 hours per year because of accidents compensable under the Texas State Worker's Compensation Law will be considered as time worked in order to qualify for vacations.

With respect to employees hired during the previous calendar year, the 1200 hours must have been worked during the year commencing with the date of hiring.



**Section 3.** The first vacation may not be taken before the employee's first anniversary of employment. Subsequent vacations may be taken in advance of the anniversary date, provided the employee has worked at least the required 1200 hours in the previous calendar year.

**Section 4.** Vacation pay shall be based on the employee's permanent classification straight time rate, irrespective of a reduction in force which results in the employee being reduced to a job classification which carries a lower rate of pay, provided such employee does not thereafter bid to another job.

**Section 5.** Should a holiday occur during an employee's vacation, the employee may elect pay in lieu of the holiday or an additional day off with pay, the scheduling of which must be approved by management.

**Section 6.** Vacations earned must be taken, but no employee shall be permitted to take more than one vacation during a calendar year.

**Section 7.** Vacations will, so far as possible, be granted at the time most desired by the employee in accordance with his plant seniority to the extent practicable, but the final right to allotment of vacation period is reserved to the Company. The Company may elect to give all vacations at the same time, or to stagger vacations throughout the year according to plant convenience, or a combination thereof.

**Section 8.** In addition to the regular vacation pay to which an employee is entitled, there shall be paid a vacation bonus in accordance with the following schedule:

<u>Vacation Week Commencing in:</u>	<u>Bonus:</u>
April, May, October, December	\$35.00 per week
January, February, March, November	\$50.00 per week
June, July, August, September	No Bonus

The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences, that is, the first day thereof the employee would otherwise have been scheduled to work. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds. A \$20.00 bonus shall be paid for vacation weeks paid in lieu of time off.

The vacation bonus is an add-on to, and not part of, an employee's regular vacation pay.

**Article XIV**  
**Health - Welfare, Vision Care, Prescription Drug,**  
**Dental, Life Insurance, FSA and 401k Benefits**

The Company will provide Health-Welfare, Vision Care, Prescription Drug, Dental, Life Insurance, Flexible Spending Account and 401k Benefits as shown in this Article which includes revisions in the Plans in accordance with the Memorandum of Settlement dated June 30, 2001. These Plans of benefits will continue in effect until June 30, 2004. However, the benefits provided under "A" and "C" of this Article will be discontinued or reduced to the extent that like benefits are provided under Federal or State Law for which the Company and/or employee may be taxed. Benefits provided under "A" and "C" of this Article shall not be paid if the disease, sickness or injury is compensable under any Workers' Compensation Law or occupational disease law (except Weekly Sickness and Accident Benefits as specified), or for any injury arising out of or during the course of any employment for wage or profit. For details, refer to the Summary Plan Description(s).

**A. HEALTH AND WELFARE BENEFITS.**

Subject to rules and regulations of the Plan not in conflict with this Agreement between the Company and the Union, the benefits shall be provided as outlined below.

1. Accidental Death or Dismemberment Benefits (For Employees Only). Death or dismemberment by accidental means due to non-occupational causes, will provide:
  - a. \$29,500 for loss of life.
  - b. \$14,750 for loss of 1 hand or 1 foot or the sight of 1 eye.
  - c. \$29,500 for loss of 2 or more such members.
2. Weekly Sickness and Accident Benefits (For Employees Only).
  - a. \$220.00 per week (\$230.00 per week effective 1/1/2002, \$240 per week effective 1/1/2003, \$250 per week effective 1/1/2004) for 52 weeks for absences caused by non-occupational accidents or sickness; benefits to start the 1st

day in case of accidents or hospitalized sickness or outpatient surgery and 6th day in case of unhospitalized sickness.

b. **Worker's Compensation Supplement**

For any week that temporary and total disability benefits are payable under State Worker's Compensation law, such payments shall be supplemented by an amount equal to the difference (if any) between such weekly payment and the Non-Occupational Weekly Sickness and Accident Benefit, provided that the Company recognizes the disability causing the absence to be work incurred and the disability commenced on or after January 1, 1981. There is no change in the terms or conditions of the Non-Occupational Weekly Sickness and Accident Benefit Plan, including the duration of such benefits, except to provide a Worker's Compensation Supplement.

- c. Benefits will terminate at commencement of benefit payments under the Pension or Permanent and Total Disability Benefit Plans.

3. **Preferred Provider Network**

The Company has contracted with a Preferred Provider Organization to provide a network of health care providers to Asarco Employees. Employees will retain the option of continuing to secure care on a fee-for-service basis or utilizing the Network. For in-network Medical Expenses, the employee Co-Payment shall be 5%. For out-of-network expenses the employee Co-payment will be 20%. In all other respects, in-Network coverage will be identical to fee-for-service coverage.

4. **Managed Care**

The Company has contracted with a Managed Care Organization to implement a pre-certification and utilization review program. This program includes the following:

Pre-Certification for all In-Patient Courses of Treatment;

Continuing Stay Review for all Confinements; and

Case Management including alternative setting reviews and Discharge Planning.

Employees securing In-Patient care on a fee-for-service basis (outside of Network) will be required to contact the Managed Care Organization prior to admission. Claims for In-Patient treatment submitted by employees who have failed to contact the Managed Care Organization will be subject to a per confinement deductible of \$250. Employees obtaining In-Patient care from Network providers need not contact the Managed Care Organization. This program shall include an appeals procedure.

## 5. Comprehensive Plan

Effective January 1, 2002, all plan participants will be covered by the Comprehensive Plan with the following features:

<b>Design</b>	Comprehensive
<b>Deductibles</b>	\$200 per individual/\$400 per family
<b>Co-payments</b>	95%/5% (in-network) 80%/20% (out-of-network)
<b>Annual Stop Loss</b>	\$2,000 aggregate
<b>Lifetime Maximum</b>	\$1,000,000
<b>Contributions</b>	\$5/month Employee \$10/month Employee + one dependent \$15/month Employee + family

Enrollment shall be on an annual basis. However, changes in family status during an enrollment year shall be accommodated with proper notification and documentation. Changes must be submitted within 31 days of the qualifying event. Active full-time employees who elect to opt out of coverage will receive \$25 per month. An employee's decision to opt out is subject to proof of alternative coverage.

Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

All benefits shall be payable on a usual and customary fee basis subject to the annual deductible and co-payment.

## Definition of Usual and Customary Fees:

- a. **Usual** -- The "usual" fee that is charged for a given service, by an individual physician to the majority of his private patients.
- b. **Customary** -- A fee is "customary" when it is within the range of usual fees charged by physicians of similar training and experience, for the same service within the same specific and limited geographical area (socioeconomic area of a metropolitan area of a county).
- c. **Reasonable** -- A fee is "reasonable" when it meets the above two criteria, or in the opinion of the responsible medical association's review committee, is justifiable, considering the special circumstances of the particular case in question.

## 6. Preventive Care

Preventive care will be offered under the current Health Plan and shall include the following services, without having to pay a deductible. Benefits are paid according to a schedule. Coverage is as follows:

### Benefit Schedule:

#### Physical Examinations:

Frequency of exams is based on age: \$150

#### People who are:

Age 61 and over are covered for an annual exam.

Between ages 41 and 60 are covered for an exam every two years.

Between ages 31 and 40 are covered for an exam every three years.

Age 30 and below are covered for an exam every four years.

#### Screening Exams --

One Pap test annually: \$ 30

Sigmoidoscopy: \$225

Once every three years for people age 50 and over.

Mammogram:

\$135

Annual for women age 50 and over and one mammogram every other year for women age 35 and over with a first degree relative with breast cancer.

Well Baby Care:

Birth (in the hospital after birth) \$ 90

2, 4, 6, or 8 weeks (per visit) \$ 80

4, 6, 9, 12, 15, 18 and 24 months (per visit) \$ 80

Immunizations: The plan pays scheduled benefits for immunizations as part of well-baby care for infants (EMMR, DPT, Oral Polio, etc.).

7. Plan Benefits

- a. Expenses incurred for kidney dialysis provided at home or in a kidney dialysis unit which is not connected with a hospital will be covered to the same extent such services would be covered if the procedure was provided in a hospital.
- b. Expenses incurred for extraction of impacted teeth in the out-patient department of a hospital will be covered to the same extent such services would be covered if the extraction was performed as a hospital in-patient.
- c. Expenses incurred for surgery performed in an ambulatory surgical facility will be covered to the same extent such services would be covered if the surgery was performed as an in-patient in a hospital.

An ambulatory surgical facility is described as a legally constituted and operated ambulatory care health center (either part of a hospital or otherwise) with permanent plant, equipment and supplies not usually available in a physician's office for surgical or medical care not requiring in-patient confinement.

- d. Temporomandibular Joint Dysfunction (TMJ) services will be covered at 80%/20%. Services provided by an in-network physician will be covered at 95%.
- e. Skilled Nursing Coverage will be provided in a Skilled Nursing Facility. Details of this benefit are included in the Summary Plan Description.
- f. Benefits shall be provided for sterilizations, abortions and transplant procedures, including donor expenses not covered by other plans.

8. Limitations

a. Alcoholism and Drug Addiction

Benefits under any provision of the Plan for treatments received in an accredited treatment center for alcoholism or drug addiction will be limited to two confinements of not more than 30 days each, unless the course of treatment requires additional days (to a maximum of 15 additional days) during a covered individual's lifetime.

b. Chiropractors

Covered Visits

- 1. Initial consultation.
- 2. Maximum of 18 visits in any calendar year (excluding initial consultation).

X-Rays

Limited to three x-rays in any 90-day period.

c. Psychiatric Treatments

Non-Hospitalized

Benefits paid on behalf of any covered individual under all provisions of the Plan shall be reimbursed on a 60%/40% Co-Payment basis.

### Hospitalized

Benefits paid under any provision of the Plan for expenses incurred as the result of confinement in a hospital for psychiatric treatment shall be limited to two confinements of not more than 30 days each during a covered individual's lifetime.

#### 9. Pensioners' Coverage

Employees who are under age 65 upon retirement date (early retirees) who retire under the comprehensive plan after January 1, 2002 will continue to be covered under the Plan for "active employees" until the employee qualifies for MEDICARE. The spouse of an employee who retires will continue to be covered under the Plan for "active employees" until the spouse qualifies for MEDICARE. Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

The spouse of an active employee who dies and who is eligible for a Spouse's Pension will continue to be covered for benefits under the Plan for "active employees" until the spouse qualifies for MEDICARE or remarries.

For purposes of qualifying for benefits under this provision, retirement will include employees receiving benefits under the Permanent and Total Disability Benefit Plan and the surviving spouses of such employees.

Coverage for employees retiring under early retirement provisions of the Pension Plan or those qualifying for Permanent and Total Disability Benefits will be extended to dependent children in addition to the employee's spouse. Dependent coverage for early retirees will be limited to existing eligible dependents on the effective date of retirement; and subsequently wed spouses and natural children born of that marriage and grandchildren who become dependents of the retirees as the result of the death of both parents of the grandchildren.

#### 10. Eligibility Requirements



The following eligibility requirements for the Plan of Health and Welfare Benefits shall apply:

- a. New employees shall become eligible on the 91st calendar day following date of their employment.

Coverage for employees and dependents hospitalized or under care for illness or injury on the effective date of coverage shall be extended to comply with the Health Insurance Portability and Accountability Act (HIPAA).

- b. Employees who are sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- c. Employees who are sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 36 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave became effective. Employees on leave of absence for Union business shall remain eligible during the first twelve months of such leave of absence. If such leave of absence is extended by the Company such employees may continue to be eligible, provided they pay the full cost of such coverage.
- e. In the event an employee is discharged by the Company and there is a dispute as to whether or not the discharge was justified, the Company shall continue the benefits under the Plan for such employee until the case is finally resolved, but not exceeding 90 days.
- f. In the event an employee stops work due to a strike, all benefits under the Plan, other than Weekly Sickness and Accident Benefits, shall continue for the duration of such strike, provided the employee shall pay the required premium during the strike. During the strike, Weekly Sickness and Accident Benefits shall not be continued but benefits thereunder will be payable if total disability commenced prior to the strike.

- g. The provisions of paragraphs a, b and c above, shall not apply in any case where this Agreement contains a specific provision covering the matter which is more favorable to the employee.

## 11. General Provisions

### a. Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Plan is as follows:

The employee's spouse and the following categories of unmarried children less than 19 year of age, provided such individuals are not employed by Asarco:

Category A -- The employee's natural children.

Category B -- The employee's legally adopted children (including a child living with the adopting parents during the period of probation) and those for whom the employee is legal guardian. All cases must be submitted to the Corporate office for approval.

Category C -- Stepchildren (i.e., the natural children of the employee's spouse) residing in the employee's household and supported solely by the employee. All cases must be submitted to the Corporate office for approval.

Category D -- Children for whom coverage is required under a Qualified Medical Child Support Order (QMCSO). All cases must be submitted to the Corporate office for approval.

The Plan shall also include employee's children 19 years of age or more but less than 25 years of age provided such child is unmarried, dependent upon the employee for support and maintenance and is attending an accredited school or university on a full-time basis. The employee must provide supporting documentation semi-annually.

Children in the above categories who are totally disabled are covered under the Plan, regardless of age, for as long as they are dependent upon the employee for support and maintenance provided they became totally disabled prior to age 19 and were eligible for coverage as a dependent child prior to attaining age 19. For purposes of qualifying as disabled, dependent children must be certified by the Asarco Corporate Medical Director, as suffering from an injury or illness which prevents them from living independently from their parents and obtaining gainful employment. Coverage for disabled children will continue until both parents qualify for MEDICARE or otherwise lose coverage through the Asarco Health Plan.

Persons, other than those described in the foregoing, are not included as dependents. Changes must be submitted to the unit Human Resources office within 31 days of the qualifying event.

b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Health Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance plan or group pre-payment plan.

In the event a covered dependent under the Asarco Health Plan is, shall become, covered, or eligible for coverage, under any group insurance or prepayment plan, benefits under the Asarco Health Plan shall be secondary to the benefits provided or available under such other plan and aggregate benefits that would have been payable under both plans may not exceed benefits that would have been payable under the Asarco Health Plan.

This provision does not apply to benefits payable for the account of active employees eligible for Medicare when such active employees elect the Asarco Health Plan as primary payer of medical benefits for themselves including their covered dependents.

Expenses and benefits which are recovered by legal action or settlement are not covered under any provision of the Asarco

Health Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Health Plan which is recovered by legal action or settlement.

Employees are required to notify Asarco promptly of the fact of such legal action, and of a judgment or settlement in favor of the employee (or covered dependent) and make available all information relevant to the administration of any provision of the Plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Health Plan benefits.

c. **Benefit Booklets**

Benefits and general items briefly outlined herein are described in more detail in the summary plan description distributed to employees. The benefit provided under the Plan will cease on the date that the employee leaves the service of the Company, except that benefits will be paid in connection with claims which were incurred prior to such date.

d. **Audit of Hospitals Bills**

Employees will be paid one-third (1/3) of any savings which results from their discovery and report of hospital billing errors with a \$250.00 maximum payment to the employee per confinement. The only exceptions to this audit feature are bills for care received at a participating Preferred Provider hospital. Due to the discounted fee arrangement at Preferred Provider hospitals, employees will be unable to audit bills received from such providers.

**B. VISION CARE.**

Employees, early retirees and their eligible dependents shall be covered under the Asarco Health Plan. Details of the vision care benefits are

included in the Summary Plan Description, a copy of which is provided to each employee.

Effective January 1, 2002, reimbursement for lenses under the vision care coverage will be increased \$25 in total for each two-year period under the plan.

#### **C. PRESCRIPTION DRUG CARD PLAN.**

Employees and early retirees who desire prescription drug coverage for themselves and/or their dependents shall have the option of participating in the Prescription Drug Program or to opt out. There will be an annual enrollment period during which employees will be given the opportunity to enroll in the Prescription Drug Card Program. If employees choose to opt out of the Drug Card Program, prescription drugs will not be recognized under the Health Plan, except for drugs which are dispensed in the hospital, while the plan participant or dependent is receiving emergency or in-patient treatment.

Employees and early retirees who enroll in the Prescription Drug Card Plan are subject to the following monthly contributions:

- \$ 3/month per single employee
- \$ 7/month per employee with one dependent
- \$11/month per employee and family

Enrollment shall be on an annual basis. Changes in family status during the enrollment year shall be accommodated. Changes must be submitted within 31 days of the qualifying event.

Brand Name prescriptions filled at a participating retail pharmacy will be covered at 80%. Generic prescriptions filled at a participating pharmacy will be covered at 90%. Mail order prescriptions (maintenance drugs) will be paid at 100%. No deductibles or medical forms to file.

In all other respects, the terms of the Prescription Drug Card Program shall remain unchanged.

#### **C. DENTAL BENEFITS.**

Subject to rules and regulations of the Plan, the benefits shall be provided for active full-time employees and their eligible dependents as outlined below.

1. Usual and Customary Fee Coverage

The Plan shall provide benefits on a usual and customary fee basis as follows:

- a. 100% of usual and customary charges for preventive services such as oral examinations, teeth cleaning and space maintainers for children under 19 years of age.
- b. 85% of usual and customary charges for most other dental procedures.
- c. 50% of usual and customary charges for bridgework and dentures.
- d. 50% of usual and customary charges for orthodontic diagnosis and treatment for children under 19 years of age (maximum lifetime benefit of \$650.00 per individual).
- e. The maximum benefit for expenses incurred during any calendar year under "a", "b" and "c" above shall be \$1,000 per individual.
- f. A deductible of \$15 per covered individual will be applied each calendar year.

2. Definition of Usual and Customary Fees

- a. **Usual** -- The "usual" fee is that fee which the individual dentist or physician most frequently charges the majority of his private patients for a given service rendered or supply furnished.
- b. **Customary** -- A fee is "customary" when it is within the prevailing range of fees charged by dentists or physicians of similar training and experience, for the same service rendered or supply furnished within the same area (metropolitan area, county or such greater area as is necessary to obtain a representative cross-section of dentists' or physicians' fees).

- c. **Reasonable** -- A fee is "reasonable" when it meets the above two criteria or is justifiable, taking into consideration unusual circumstances or complications requiring additional time, skill and experience in connection with particular dental service or procedure in question.

### 3. Eligibility Requirements

The following eligibility requirements for the Dental Plan shall apply:

- a. New employees shall become eligible on the day following the completion of one year of Company service.
- b. Employees who become sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding six months.
- c. Employees who become sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave of absence became effective. Employees on leave of absence for Union business shall remain eligible under the Plan for lesser of the duration of such leave or 12 months.

### 4. General Provisions

- a. **Who Are Eligible Dependents**

The definition of dependents eligible for coverage under the Dental Plan is the same as the Health Plan.

- b. **Non-Duplication of Benefits**

Benefits available to any covered individual under any provision of the Asarco Dental Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance or group pre-payment plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Dental Plan benefits.

Dental expenses which are recovered by legal action or settlement are not covered under any provision of the Asarco Dental Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Dental Plan which are recovered by legal action or settlement.

- c. Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefits provided under the Plan will cease on the date that the employee retires, dies, or otherwise terminates active employment with the Company.

#### **E. LIFE INSURANCE BENEFITS.**

Subject to rules and regulations of the Plan, the benefits shall be provided as outlined below.

##### **1. Active Employees**

Effective July, 1, 2001, \$29,500 of coverage shall be provided for each active employee after 91 days of employment.

The Plan shall include the following provisions:

- a. Waiver of premiums in event of disability at any age.
- b. Extended benefits for a period of 31 days.
- c. Conversion rights within 31 days.
- d. Active employees shall be allowed to purchase at cost, supplemental life insurance for themselves and dependent life insurance for their spouses and children. Employees are responsible for payment of these premiums.



## **2. Retired Employees.**

Upon retirement under the Company's Retirement Plan, the amount of coverage to be continued without cost to the employee will be \$4,000.

## **FLEXIBLE SPENDING ACCOUNTS.**

Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$2400 for uncovered medical, vision and dental expenses, with a minimum contributed of \$240 required. Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$4,800 for dependent care, with a minimum contribution of \$480. For detailed information concerning Flexible Spending Accounts refer to the Summary Plan Description.

## **F. COSTS.**

During the term of this Agreement ending June 30, 2004, the Company will pay the cost of all benefits outlined in this Article, including any increase required for such benefits (with the exception of all monthly contributions, deductibles, co-pays and supplemental/dependent life insurance contributions as described in this Article).

## **G. 401(k) PLAN.**

All employees who have completed one month of service shall be eligible to participate in the 401(k) Savings Plan. Employees may contribute up to 19% (or the Federal allowable maximum) of their earnings into the Plan. The Company will match 50% of the employee's contributions, up to the first 6%. Employees should refer to the 401(k) Plan Summary Plan Description for details of the Plan. The provisions of the Plan will not be subject to the grievance and arbitration provisions of the collective bargaining agreement.

(Remove Effective July 1, 1995,) All loan origination fees and loan service charges (\$30 and \$10 respectively), as set by the Fund Managers, shall be the responsibility of the employees requesting the loan. If the amount of such fees increase, such increases shall not be passed on to the employee during the period of the contract.

Company matching contributions for participants who attain age 64 shall be transferable.

#### **Article XV Jury Service**

Employees summoned for or performing jury duty shall receive their 8-hour straight time permanent job classification pay they would have earned on the particular days involved, where such summons or jury service falls on their regular scheduled work day, up to a maximum of thirty (30) days per year, provided proof of appearance is presented to the Company. Immediately after a summons is received, the employee must notify his supervisor of the time, date and place he is to serve. This provision shall be interpreted to include an employee who is summoned for jury duty whether or not the employee actually serves on a jury.

#### **Article XVI Bereavement Pay**

**Section 1.** In case of death in the immediate family of an employee, time off with straight time pay will be allowed for a total of three (3) days absence falling on regularly scheduled work days. The three (3) days off to which employees are entitled may be taken at any time beginning the date of the occurrence of the death and ending the day following the funeral; however, at least two (2) such days must be consecutive. "Death in the immediate family" shall be limited to the death of father, mother, step-father, step-mother, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandmother, grandfather, husband, wife, sister, brother, step-brother, step-sister, child, step-child, grandchild only. Employees will be allowed one (1) day off with straight time pay for the death of a sister-in-law, brother-in-law, grandmother-in-law, or grandfather-in-law.

**Section 2.** If for any reason an employee works his regular scheduled day or any part or all of the above specified three (3) days or one (1) day, this clause will in no way be construed as eligibility for premium pay for such time actually worked.

**Section 3.** A new employee must have been on the Plant payroll for 480 hours worked prior to such death to be eligible for pay under the above provision.

**Section 4.** In order to be entitled to the benefits above, at the request of the Company the employee shall produce reasonable proof of death of such relative.

#### **Article XVII Military Duty**

**Section 1.** An employee required to attend encampment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between his government pay (excluding travel, subsistence or quarters allowance, if any) for a period not to exceed two weeks in any calendar year and the amount of straight time pay, based on eight (8) hours per day -- forty (40) hours per week, he would have received had he worked instead of attending encampment. The straight time pay calculations shall exclude shift differentials and any other premium pay, but shall include pay for any holiday covered by the Agreement which is observed during the period of encampment for which the military encampment allowance is calculated. If the encampment exceeds two (2) weeks in any calendar year, only the first two (2) weeks the employee would have worked but for the encampment shall be considered for the purpose of calculating the allowance.

#### **Article XVIII Leave of Absence**

**Section 1.** A leave of absence, for compelling personal reasons, may be granted for a period not exceeding fifteen (15) days upon written application of the employee and approval of the Company. Extensions may be granted upon written application and approval of the Company. Said leave of absence shall not be approved for the purpose of taking other employment, and employees using leaves of absence for such purpose shall be subject to discharge.

**Section 2.** The Company will grant to an employee a leave of absence for a period not to exceed one (1) year to work in an official capacity for the Union. This leave will be limited to not more than one (1) employee at any given time and may be extended for an additional one (1) year period if the Company and the Union agree to it. Upon the termination of this Union employment, the employee shall be reinstated with accrued seniority rights unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; provided, however, that such employee is physically able to perform the duties of such job and that he makes application to the

Company for reinstatement within ten (10) days after said termination. No benefits of employment, except seniority, shall accrue during the period of absence.

## **Article XIX**

### **Safety and Health**

#### **OBJECTIVE**

The Company shall make reasonable provisions for the safety and health of its employees during the hours of their employment, and agrees to abide by and maintain standards of sanitation, safety and health in accordance with Federal and State laws and regulations.

The Company and the Union will cooperate in achieving the objective of eliminating recognized hazards related to sanitation, safety and health; the Company will insist that all employees comply with all Safety and Health rules.

Recognizing that continuing on-the-job safety and health, as well as the elimination of recognized hazards is the concern of all employees, the following program shall be adopted by the parties.

#### **FIRST AID FACILITIES**

Adequate First Aid facilities and access to emergency First Aid treatment shall be provided by the Company. A registered nurse or qualified trained personnel shall be available to administer First Aid to employees on all shifts.

#### **TRAINING**

**New Employees:** All new employees shall be given a thorough indoctrination in the applicable Safety and Health program and shall be provided with a listing of the members of the Safety and Health Committee. The Union shall be responsible for providing the Company with a current listing of Union representatives on the Committee.

**All Employees:** All employees will be instructed on the safety and health aspects of their particular job.

**New Equipment and Processes:** When the Company introduces new equipment or processes, all employees involved shall be instructed and trained in its safe operation.

Where the Company uses or introduces chemicals, solvents, and gases, which may be or become a recognized hazard in working areas, the Company will advise affected employees and the Union Departmental Safety and Health Representative of precautions which have been taken and to be observed for their protection. On request of the Committee's Union Representative, the Company will provide written assurance that such steps have been taken.

## **RECORDKEEPING AND REVIEW**

**Exposure Measurements:** The Company will keep such records of exposure as may be required by the U.S. Department of Labor. On request of the Committee's Union Representatives, the Company will review the results of exposure measurements with them.

**Accident Frequency and Severity:** A summary report of accident frequency and severity shall be prepared quarterly and forwarded to the Local Union and the International Union Safety and Health Department. Such summary report may be reviewed upon request of either party at the Safety and Health Committee meetings.

## **COMMITTEE MEMBERS AND MEETINGS**

A Safety and Health Representative and an Alternate in each Department of the Plant, to a maximum of three representatives and three Alternates if the number of Departments exceeds three, shall be designated by the Union. These Representatives or an Alternate, if available, in the absence of the Representatives shall meet with the Company Representatives monthly, as a "Safety and Health Committee" (hereinafter called the "Committee"), to review and discuss Safety and Health matters. Without detracting from the existing rights and obligations of the parties, alcoholism or drug abuse may also be discussed with the objective of rehabilitating the afflicted employees. These meetings shall be held during the day-shift working hours. Representatives or Alternates at work shall not suffer loss of time for attending.

A special meeting may be called by either party on reasonable notice to all representatives, as a specific Safety and Health situation requires. Representatives or Alternates at work shall not suffer loss of time for attending.

## **REPORTS OF MEETINGS**

A written report of regular and special meetings, including subjects discussed, recommendations made and action taken shall be prepared by a Company Representative and a copy sent to each representative within five (5)

working days following the meeting. *If the Union Committee Representatives take exceptions to the minutes, such exceptions may be submitted in writing to the Company within five (5) days after receipt of the minutes.*

## **COMPLAINTS AND/OR DISPUTES**

An employee who sincerely believes and alleges that an unsafe condition exists on a job beyond normal hazards inherent in the operation, such that he is in danger of injury, may, on request, be promptly assigned to another job if available, at the rate of pay on that job, or sent home. The employee may request that the Departmental Safety and Health Representative, or Alternate in the absence of the Representative, be called to confer with the Company regarding the alleged unsafe condition. The determination whether to assign the employee to another job, if available, or to send him home shall be made by the Company. After assuring itself that the job is, in fact, safe, should the Company wish to assign another employee to the job, he or she will be advised of the dispute before assignment.

If the job is found to be unsafe at the next scheduled safety meeting provided for herein, to which the affected employee will be given the opportunity to attend if deemed necessary by the Committee, he will suffer no loss in pay for the time lost. If there is no agreement as a result of such meeting, the matter will be resolved by an arbitrator to be selected in the manner set forth in Article IX. This provision will not be subject to the regular grievance procedure of this Contract.

## **INSPECTIONS**

The respective Departmental Representative - Departments in excess of three shall be assigned among the three Representatives - shall accompany and advise the Plant Safety Engineer during his regular monthly scheduled inspection of the Plant. The Union may designate an Alternate to participate, if available, in the absence of any such Representative. These Departmental Representatives may also accompany the Company's Central Safety Engineer on an inspection trip during his periodic visit to the Plant. If at work, the designated Union member of the Committee, or its alternate in absence of the member, shall be afforded the opportunity to accompany government inspectors, State and Federal.

## **PLANT VISITS**

*If desired, International Union Safety and Health Representatives may visit the Plant, if a particular situation warrants; reasonable notice to, and*

permission of, the Unit Manager shall first be obtained. In the event of a fatality of an employee, such permission shall not be unreasonably withheld.

## **ACCIDENT INVESTIGATIONS**

Management will promptly notify the Union Safety and Health Representative on shift (or in his absence, the alternate designated for such purpose) of the occurrence of an accident involving substantial injury to Life and Limb. On request to investigate the scene of the accident, permission to do so will not be unreasonably withheld. The Representative or Alternate on shift shall not suffer loss of time due to such investigation.

## **PAY ON DAY OF INJURY**

An employee injured in an industrial accident who loses time on the day of accident and/or the day following the accident as a result of obtaining Company directed medical treatment, shall be compensated for such lost time occurring during the scheduled hours of work on the day(s) such treatment is received.

## **SHOWERING**

The Company may require certain employees to shower immediately before or after the completion of their workday. In such cases, fifteen (15) minutes will be allotted for showering and related activities when required before the end of the workday or if so designated by the Company, where required after the completion of the employee's workday.

## **Article XX Cost of Living**

**"Suspended for Duration of Agreement"**

**Article XXI**  
**Security and Severance Plan**

The Security and Severance Plan will be in accordance with the following outline of provisions, subject to the detailed Plan.

**FORMULA:** 1% of Average Annual Earnings times Years of Service, plus \$30.00 times Years of Service. (Annual Earnings: Straight time hourly earnings, which shall exclude all pay premiums of whatever nature, for the twelve consecutive calendar months immediately preceding date of layoff, retirement, or death, divided by the straight time hours worked, multiplied by 2,080 hours. Security and Severance Plan Benefit calculations shall not be reduced by any wage reductions negotiated.

Hires, or rehires, on or after July 1, 1983, shall be limited to a \$7,500 maximum (lifetime) amount accrued by Formula.

**ELIGIBLE:** All employees upon completion of Two (2) Years Service. (All "Years Service" shall be based on the Plant's Seniority List.)

**PAYMENTS:** Laid-off Employees (for lack of work only):

After 14 calendar days on lay-off, \$75/week until either:

- (a) Employee is recalled.
- (b) Exhaustion of his amount accrued by Formula. In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to an employee with ten (10) or more years of service at the commencement of layoff, provided layoff commenced prior to July 1, 1986. (Otherwise, this provision is eliminated effective July 1, 1986.)

In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to eligible employees during weeks for which the employee receives State Unemployment Compensation benefits. For employees laid off on or after July 1, 1983, but prior to July 1, 1986, the additional non-deductible weeks (up to 12 weeks) shall only apply to laid off benefits paid after the employee has exhausted his State Unemployment Compensation benefits or is not otherwise employed. If otherwise employed, such



payments for the twelve (12) weeks shall be deducted from his amount accrued by Formula.

- (c) 52 weeks.

whichever first occurs.

In the event of (c) and an amount accrued remains, the employee shall have the option of: the remaining amount continuing on accrual; or receiving the remaining amount accrued in a lump sum payment.

Payments shall be made without regard to:

- (1) Any other benefit or payment received by the employee.
- (2) His employment status except as covered in (a) above.

An employee laid off, recalled before (b) occurs, and subsequently laid off shall have an accrued amount based on total years of service (figured to nearest complete calendar quarter) less total deducted payments received.

**Pensioned Employees:** At date of retirement under Company's Retirement Plan, or on the date of his established eligibility for benefits under the Company's Plan of Permanent and Total Disability Benefits, the employee shall have the amount accrued by Formula less total payment received if any. Retirement payments shall reflect only laid off benefit payments deducted.

**Death of an Employee:** Upon the death of an employee his designated beneficiary shall receive an amount determined by Formula based on the employee's status at date of death. Death payments shall reflect only laid off benefit payments paid.

Employees separated for any reason other than lay-off, retirement, permanent and total disability, or death shall not receive any payments.

All payments provided hereunder shall be subject to statutory deductions or withholdings.

## Article XXII Miscellaneous Provisions

**Section 1.** The Union agrees that there will be no solicitation or collection of money, for any reason, during working hours without the permission of the Company.

**Section 2.** All candidates for reemployment, and after curtailment, must pass a physical and medical examination, and the Company may require periodic examinations of all employees. The Company will pay for all such physical or medical examinations.

**Section 3.** It is not the intention of the Company to have supervisory employees perform work which is normally performed by bargaining unit employees. However, it is understood and agreed that exceptions will occur in cases such as, but not necessarily limited to, training employees, emergencies, quality and quantity control, continuity of operations when qualified employees are not available, and testing of equipment or processes before placing in regular production.

**Section 4.** During the term of this Agreement, the parties specifically waive all rights to request bargaining with respect to rates of pay, wages, hours of work or any other items or conditions of employment whether or not previously raised or covered herein, except as otherwise provided in Article XI, Section 2 of this Agreement.

**Section 5.** If any provision of this contract shall be in conflict with or in violation of any applicable State or Federal Law, such provision shall be inoperative and of no effect, but shall not affect the remaining provisions hereof.

**Section 6.** Prior to the implementation of a major *technological change* in equipment (not just larger, or improved, or modified, equipment) which may reasonably be expected to result in substantial impact on job assignments, the Company will notify the Union that such technological change will occur and identify the job classifications that may be affected.

**Article XXIII**  
**Duration; Termination**

**Section 1.** This Agreement shall remain in full force and effect from July 1, 2001 through June 30, 2004, and from year to year thereafter unless either party shall elect to modify or terminate it by giving written notice to the other sixty (60) days, but not more than seventy-five (75) days, prior to the expiration date.

**Section 2.** Notices shall be sent by Certified Mail and shall be addressed as follows:

ASARCO Incorporated  
P. O. Box 30200  
Amarillo, Texas 79120-0200

United Steelworkers of America  
District #12  
3150 Carlisle Blvd. NE, Suite 212  
Albuquerque, New Mexico 87110  
(505) 878-9756

Section 3. Executed this 26<sup>th</sup> day of April, 2002

**FOR THE COMPANY:**

/s/ L. W. Castor  
/s/ J. K. Likarish  
/s/ P. D. Mettham  
/s/ H. E. Tallert  
/s/ S. S. Jones  
/s/ G. A. Herring  
/s/ W. T. J. McLean  
/s/ D. D. Dalton

**FOR THE UNION:**

/s/ George Becker, President  
/s/ Leo W. Gerard, Secretary/Treasurer  
/s/ Richard H. Davis, Vice President (Administration)  
/s/ Leon Lynch, Vice President (Human Affairs)  
/s/ T. Bonds, District Director  
/s/ F. Sanchez, Staff Representative  
/s/ R. Ray, Sr.  
/s/ L. Segura  
/s/ D. Lawrence  
/s/ J. Gray  
/s/ L. Jacobsen  
/s/ T. Washington

# Exhibit "A"

<u>Class</u>	<u>Rate Per Hour</u> <u>Effective 7/1/01</u>	<u>Rate Per Hour</u> <u>Effective 7/1/02**</u>	<u>Rate Per Hour</u> <u>Effective 7/1/03</u>
1	14.445	14.945	15.445
1A (*)	15.745	16.245	16.745
2	15.115	15.615	16.115
2A (*)	16.015	16.515	17.015
3	16.285	16.785	17.285
4	16.555	17.055	17.555
5	16.825	17.325	17.825
6	17.095	17.595	18.095
7	17.365	17.865	18.365
8	17.635	18.135	18.635
9	17.925	18.425	18.925
10	18.225	18.725	19.225
11	18.525	19.025	19.525
12	18.825	19.325	19.825

(\*) 5/22/95 Incumbents

\*\* This \$.50 wage increase will be effective the beginning of the first payroll period after which the average COMEX price of copper is \$1.00 per pound or more for thirty (30) consecutive days or 7/1/02, whichever comes first.

The Hiring Rate for Laborer Classification shall be \$2.00 per hour less than the contract Laborer Rate for the first 1,040 hours worked and \$1.00 per hour less than the contract Laborer Rate for the next 1,040 hours worked by persons hired on or after July 1, 1983. However, such employees shall be paid at the contract rate applicable to the work performed in higher rated classifications during this 2,080 hour period.

Bargaining unit employees selected by the Company to act as Leader will be paid 25 cents per hour above the highest rate in the department supervised (in Mechanical Department 25 cents per hour above Rate 12).

**DEPARTMENT AND OCCUPATION****CLASS****Anode Casting**

Laborer	1
Floorperson	2
Relief Operator and Sampler	5
Skimmer	5
Fume Control Operator	5
MEO (Shaft Furnace)	5
Ladle Liner	5
Anode Controller	6
Wheel Operator	8
Furnace Operator	9

**Selenium-Tellurium**

Laborer	1
Selenium/Tellurium Operator Helper	5
Product Person	7
Selenium/Tellurium Operator	9

**Precious Metals**

Laborer	1
Floor Person	2
Moebius Revision Operator	4
Slimes Sampler	4
Slag Crusher Operator	4
Sampler II	4
Ladle Liner	5
Fume Control Operator	5
Relief (Parting)	5
Helper	6
Relief (Smelting)	6
Casting Machine Operator	7
Induction Furnace Operator	7
Rotary Furnace Operator	7
Sampler I	7
Section Operator	8
Head Sampler	8
Operator-Slimes Receiving	9
Cupel Furnace Operator	9
Gold Room Operator	10

**Nickel Sulfate**

Laborer	1
Floor Person	2
Helper	5
Operator	9

**Electrolytic Refining (Tankhouse)**

Laborer	1
Floor Person	2
Cellar Person	2
Slimes Person	3
Assistant Machine Operator	4
Solutionman (Module)	5
Blank Repair Person	5
Meterman (Cathode Press)	5
Circulator (Stripper)	5
Meterman (Section Unloading)	5
Stripper	5
Equipment Operator	6
Meterman (Module)	6
Machine Operator	6
Relief Person	6
Meterman (Stripper)	7
Control Room Operator	8
Relief Operator	8
Crane Operator (Stripper)	8
Crane Operator (Module)	9
Crane Operator (Cathode Press)	9

**Rod Casting**

Laborer	1
Assistant Caster	5
Assistant Roller (AP)	5
Set Up Person	5
Assistant Roller (Floor)	8
Furnace Operator	9
Casting Operator	10
Roller	10

<b>Cake Casting</b>	
Laborer	1
Set Up Person	5
Inspector	5
Mould Maker	5
Saw Operator	7
Furnace Operator	9
Casting Operator	10

<b>Mechanical</b>	
Laborer	1
Machinist Apprentice A	4
Machinist Apprentice B	5
Machinist Apprentice C	6
Machinist Apprentice D	7
Machinist Junior Apprentice	8
Machinist Senior Apprentice	9
Machinist	10
Machinist B	11
Machinist A	12
Mechanic Apprentice A	4
Mechanic Apprentice B	5
Mechanic Apprentice C	6
Mechanic Apprentice D	7
Mechanic Junior Apprentice	8
Mechanic Senior Apprentice	9
Mechanic	10
Mechanic B	11
Mechanic A	12
Fabrication Mechanic Apprentice A	4
Fabrication Mechanic Apprentice B	5
Fabrication Mechanic Apprentice C	6
Fabrication Mechanic Apprentice D	7
Fabrication Mechanic Junior Apprentice	8
Fabrication Mechanic Senior Apprentice	9
Fabrication Mechanic	10
Fabrication Mechanic B	11
Fabrication Mechanic A	12
General Mechanic Apprentice A	4
General Mechanic Apprentice B	5
General Mechanic Apprentice C	6
General Mechanic Apprentice D	7
General Mechanic Junior Apprentice	8



General Mechanic Senior Apprentice	9
General Mechanic	10
General Mechanic B	11
General Mechanic A	12
Mobile Equipment Mechanic Apprentice A	4
Mobile Equipment Mechanic Apprentice B	5
Mobile Equipment Mechanic Apprentice C	6
Mobile Equipment Mechanic Apprentice D	7
Mobile Equipment Mechanic Junior Apprentice	8
Mobile Equipment Mechanic Senior Apprentice	9
Mobile Equipment Mechanic	10
Mobile Equipment Mechanic B	11
Mobile Equipment Mechanic A	12
<b>Boiler</b>	
Operator B	6
Operator A	10
<b>Materials Handling</b>	
Laborer	1
Scrap Cutter	2
Marker	2
Mobile Equipment Operator	4
Switch Person	5
Charge Person	5
Straddle Truck Operator	5
Machine Operator	6
Crane Operator	6
Grader Operator	7
Locomotive Engineer	8
<b>Plant Labor Pool</b>	
Laborer	1
<b>Scrap</b>	
Laborer	1
Checker	2
Sampler	3
Mobile Equipment Operator	4
Operator	5

## APPENDIX A TRANSFER RIGHTS PROGRAM

### Section 1.

- A. Any employee of an existing organized plant of ASARCO Incorporated located in the States of Arizona or Texas, hereinafter "home plant", who is either permanently laid off on or after the date established by the Company for the commencement of a permanent plant shutdown and is not eligible for an immediate pension, or has otherwise been indefinitely laid off for a period of six months or more, and who at the time of the layoff, either permanent or otherwise, has attained 3 years or more of service with the Company, shall be given priority over other applicants (new hires) for job vacancies (other than temporary vacancies) at any other existing organized plant (acquiring plant) of ASARCO Incorporated located in the states referenced above, provided the employee:

1. Is qualified to perform the job (ability and both mental and physical fitness), and
2. Successfully passes a medical examination, to the satisfaction of the Company. (The requirement to successfully pass a medical examination shall be limited to those employees who have been on layoff for a period of six months or more.) Such medical examination may be taken at the employee's home plant. An employee who fails the medical examination and who later passes such examination to the satisfaction of the Company shall be reinstated for consideration for transfer, provided he still retains recall rights and is otherwise eligible for transfer under this program.

The job vacancies for which employees shall be eligible under this provision shall be only those that are not filled from the particular plant in accordance with the seniority provisions of the Labor Agreement thereat, and in those classifications represented by the Union.

- B. Any such employee hired at an acquiring plant in a maintenance classification above Helper shall be subject to a probationary period of 30 working days. In the event such employee is disqualified, he shall be terminated at the acquiring plant and returned to the recall

list at his home plant, provided that recall rights have not otherwise expired. In the event the employee is laid off from the acquiring plant within twelve months of his date of entry thereat, he shall be returned to the recall list of his home plant, provided that recall rights have not expired. If the employee is laid off from the acquiring plant more than twelve months after his date of entry thereat, he shall have recall rights only at that plant and shall forfeit any recall rights he may have had at his home plant. Further, if after the probationary period has expired, the employee is discharged for cause, his recall rights at the home plant shall be similarly forfeited. If an employee hired at an acquiring plant, upon being offered recall at his home plant, elects to return to his home plant according to his seniority, he shall be deemed a quit at the acquiring plant and shall be entitled to no further preferential hiring rights under this program.

- C. An employee shall be given such priority only if he files with the management of the shutdown or home plant a written request for such employment, in accordance with the procedure established by the Company, specifying the other plant or plants at which he would accept employment.
- D. Job vacancies covered under this program shall be offered to qualified applicants on the basis of company wide service. Seniority at the acquiring plant shall accrue beginning on the employee's date of entry at that plant. Company wide service acquired prior to the employee's date of entry at the acquiring plant shall not be recognized thereat for seniority purposes.
- E. An employee laid off who is offered and who accepts a job at another ASARCO property in accordance with the foregoing provisions will report for work there within one month from notification of job availability. The Company has the right to fill such vacancy until the transferee reports for work.
- F. If an employee has been laid off for 18 months\*, or if he rejects a job offered to him under these provisions, or if he does not respond within the time required by this Section to such offer directed to his last place of residence as shown on the written request referred to in paragraph (C) above, his name shall be removed from those eligible for priority hereunder.

*\* However, for purposes of this program, the 18-month period for employees laid off from Silver Bell and El Paso prior to July 1, 1989, shall commence on July 1, 1989.*

## **Section 2.**

Employees transferred hereunder shall be treated as follows for the purpose of administering the Benefits specified below. In all other respects the various Benefit Plans in effect at the acquiring plant shall remain unchanged, and in no event, shall there be any duplication of Continuous Service credit or Benefit Accrual or coverage as a result of the application of any provision of this Agreement.

- A. Waiting periods in effect at the acquiring plant for eligibility purposes only, shall be waived in respect to the following:

Death Benefit  
Accidental Death or Dismemberment Benefit  
Weekly Sickness and Accident Benefit  
Hospital-Medical-Surgical Benefit  
Dental Benefit  
Vision Care Benefits Plan

- B. Pension Plan and Permanent and Total Disability Benefit Plan:

### **1. Pension Plan**

- a) Continuous Service: Continuous Service accrued at the shut-down or home plant shall be counted toward meeting the service requirements for vesting and eligibility under the provisions of the Plan in effect at the acquiring plant.
- b) Accrual of Benefits: Accrual of Pension Benefits subsequent to date of transfer shall be based on Continuous Service after such date and the terms and conditions, including but not limited to benefit levels, of the Plan in effect at the acquiring plant. Accrual of Pension Benefits for continuous service at the shut-down or home plant shall be determined for Plan participants in accordance with the benefit levels and other terms and conditions of the Plan in effect at the shut-down or home plant at the time of transfer.

## **2. Permanent and Total Disability Benefit Plan**

Continuous Service accrued at the shut-down or home plant shall be counted toward meeting the service requirement of the Permanent and Total Disability Plan at the acquiring plant. To determine the "unreduced benefit", that is, the amount produced by application of the appropriate Pension Plan formulae and limiting provisions, the provisions of paragraph 1(a) and (b) above shall apply.

### **C. Security and Severance Plan:**

Where such Plan is in effect at the acquiring plant:

1. The waiting period for eligibility shall be waived.
2. Service at the acquiring plant shall be based upon service on and after date of transfer and Benefits attributable to such service will accrue in accordance with the Benefit formula and subject to the terms and conditions of the Plan at the acquiring plant, including but not limited to those applicable to LAID-OFF PAYMENTS.
3. The accrued amount under the Plan in effect at the shut-down or home plant and attributable to service thereat, less deductible payments therefrom, shall be determined and carried over as a "credit" subject to being paid out in accordance with the provisions of the Plan at the acquiring plant.

### **D. Vacation Policy:**

For the purpose of Vacation Policy administration:

1. The eligibility and qualification requirements and benefit levels of the acquiring plant apply, however, prior service at the shut-down or home plant shall be allowed for determining continuous service requirements.
2. Vacation Bonus entitlement, if such exists at the acquiring plant, shall be similarly applied.

It is understood and agreed that, where the bargaining unit of the acquiring plant to which an employee is transferred under this Agreement is represented by a labor organization not signatory to this Agreement, the special treatment described in paragraphs A through D above as applicable to benefits at such acquiring plant shall not be made effective unless and until the concurrence of the duly designated representative is obtained.

### Section 3.

- A. The Company will maintain separate listings of applicants from each shutdown or home plant who have filed a written request with management under Section 1, (C). The Company will provide a list of these applicants for transfer to the individual designated by the local union(s), in writing, at the respective shutdown or home plants and to the respective Industrial Relations Manager and individual designated by the local union(s), in writing, at the plants that are in a hiring mode. The Company will further provide written notice to the individual designated by the local union(s), in writing, of the acquiring plant, or his designee, of the occurrence of any vacancy being filled under this program. The Company will further notify, by certified mail, employees who are not considered qualified.
- B. The right to file a grievance under this program shall be limited to the qualified employee with the greatest Company service denied the right to transfer to a particular vacancy, except, that disqualification of such employee for medical reasons shall not be a proper subject for the grievance and arbitration procedure. Said grievance must be filed within 20 days of the date on which the Company notifies the individual designated by the local union(s) that the vacancy in question was filled. Said grievance must be filed at the acquiring plant in the last step of the grievance and arbitration procedure.
- C. The operation of this Transfer Rights Program will be subject to periodic review by a representative or representatives appointed by the Company and the Union, respectively, in equal numbers, who shall meet as necessary to review the operation of this Transfer Rights Program. The Company shall supply to these representatives pertinent information relating to the operation of this Transfer Rights Program. The function of these representatives is to review any problems that arise as the result of the administration of this Transfer Rights Program and to make recommendations to the parties for the solution of such problems.

- D. If any eligible laid-off employee or the Union requests information concerning job opportunities, expected hiring dates and pre-employment requirements at another plant covered by this Agreement, the plant will promptly communicate with such other plant and, upon receipt of reply, pass on this information to such laid-off employee and the Union, if not viewed as privileged or confidential by the Company. This will not guarantee employment because employment needs are not precisely predictable, nor will it create any obligation on the part of either plant, but is a service which should be beneficial to a laid-off employee genuinely seeking other employment within the Company.

#### **Section 4.**

The transfer rights under this program are subject to applicable law and other contractual or legal requirements that are, or become, binding upon the Company.

#### **Section 5.**

This Transfer Rights Program shall be effective July 1, 1989.

#### **Section 6.**

Notwithstanding anything to the contrary in the Collective Bargaining Agreements or the Transfer Rights Program, any employee who transferred from his "home" plant to an "acquiring" plant shall have a one-time opportunity to return to his home plant to fill an available position. A position is "available" only if no employees remain on layoff from the home plant who would have recall rights to that position and the position otherwise would be filled by a new hire. This opportunity must be exercised during the first thirty-six (36) months after leaving the home plant and is subject to the terms of the Transfer Rights Program except as modified herein. If more than one employee seeks return to the same position, the senior qualified employee will have priority.

#### **Section 7.**

Asarco employees covered by the Transfer Rights Program for employees of existing plants located in the states of Arizona and Texas shall continue to have preference over any other hourly Asarco employees outside these states seeking transfer to an existing unit in Arizona or Texas. This

preference is both for recall from layoff from their home plant and/or transfer to another unit covered under the Transfer Rights Program.



## **Addendum**

### **LETTERS OF UNDERSTANDING**

The parties have agreed to include the following letters in this book **for reference only**.

Chairman of Grievance Committee.  
Chairman of Grievance Committee and Step "C".  
New Hire Safety and Health Orientation.  
Overtime Lunch.  
Unpaid Meal Period.  
Grievance Committeeman Representation.  
Extension of Time Limits.  
Witness.  
Incremental Vacation/Single Day Vacation.  
Selection of Arbitrator.

# 2001

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3					1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28				25	26	27	28	29	30	31

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7					1	2	3						1	2
8	9	10	11	12	13	14	8	9	10	11	12	13	14	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7					1	2	3							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6							1	2							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29

# 2002

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5							1	2						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28			24	25	26	27	28	29	30

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6						1	2	3							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6						1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5								1	2							1
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

2003

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8	9	10	11	12	13	14	15
12	13	14	15	16	17	18	9	10	11	12	13	14	15	16	17	18	19	20	21	22
19	20	21	22	23	24	25	16	17	18	19	20	21	22	23	24	25	26	27	28	29
26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4					1	2	3						1	2
6	7	8	9	10	11	12	4	5	6	7	8	9	10	11	12	13	14	15	16	17
13	14	15	16	17	18	19	11	12	13	14	15	16	17	18	19	20	21	22	23	24
20	21	22	23	24	25	26	18	19	20	21	22	23	24	25	26	27	28	29	30	
27	28	29	30				25	26	27	28	29	30	31	29	30					

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	10	11	12	13	14	15	16
13	14	15	16	17	18	19	10	11	12	13	14	15	16	17	18	19	20	21	22	23
20	21	22	23	24	25	26	17	18	19	20	21	22	23	24	25	26	27	28	29	30
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30				

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3							1						1	2
5	6	7	8	9	10	11	2	3	4	5	6	7	8	9	10	11	12	13	14	15
12	13	14	15	16	17	18	9	10	11	12	13	14	15	16	17	18	19	20	21	22
19	20	21	22	23	24	25	16	17	18	19	20	21	22	23	24	25	26	27	28	29
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			

2004																				
JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6
4	5	6	7	8	9	10	8	9	10	11	12	13	14	15	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	22	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	29	21	22	23	24	25	26
25	26	27	28	29	30	31	29								28	29	30	31		
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2							1						1	2
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23 <sup>24</sup> <sub>30</sub>	24	25	26	27	28	29	27	28	29	30			
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2							1						1	2
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2							1						1	2
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24 <sup>25</sup>	25	26	27	28	29	30	28	29	30	31				26	27	28	29	30	31	

# ASARCO

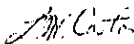
Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5813  
United Steelworkers of America  
4230 State Highway 138  
Amarillo, Texas 79107

## Chairman of Grievance Committee Letter of Understanding

For the duration of this Contract, in a Department where the Grievance Committeeman and Alternate Grievance Committeeman(men) are all absent for one work week or more and a Grievance is filed at Step "A" which the Company and Union both agree warrants immediate attention, the Chairman of the Grievance Committee may represent the Grievant at the Step "A" Meeting. In this event, the Chairman of the Grievance Committee will, thereafter, represent the Grievant at Steps "B" and "C", also, instead of the Departmental Grievance Committeeman. This Letter will remain in force for the term of the current Agreement and will expire on June 30, 2004.



L. W. Castor

Reg(2001)LOU-U.doc

# ASARCO

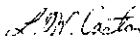
Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## **Chairman of Grievance Committee and Step "C" Letter of Understanding**

If the Chairman of the Grievance Committee is requested by the Company or Union to testify at Step "C" of the Grievance procedure and both the Company and Union agree that such testimony is needed, the Chairman of the Grievance Committee will not suffer any loss in pay for excused straight-time hours away from his job for such testimony. This Letter will remain in force for the term of the current Agreement and will expire on 6/30/2004.

  
L. W. Castor

neg2001LOU-U.doc

# ASARCO

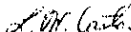
Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## **New Hire Safety and Health Orientation Letter of Understanding**

A Union-designated Safety and Health Representative will be given the opportunity for giving a nonadversarial thirty minute (approximate) presentation on *Safety and Health*, only, to new hires. The Company will approve such presentation beforehand. The representative will not suffer any loss in wages if such time occurs during his scheduled work shift. This Letter will remain in force for the term of the current agreement and will expire on 6/30/2004.



L. W. Castor

Reg2001\4.OU.LJ.doc

# ASARCO

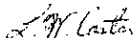
Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## Overtime Lunch Letter of Understanding

When an employee is held over, without prior notice, in excess of two hours beyond the end of his regular work period, such employee shall be entitled to a meal to be provided by the Company. When an employee is held over, without prior notice, in excess of six hours beyond the end of his regular work period, such employee shall be entitled to a second meal to be provided by the Company. This letter will remain in force for the term of the current agreement and will expire on 6/30/2004.



L. W. Castor

Reg12001 UOU-U.doc

# ASARCO

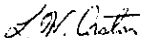
Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5813  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## Unpaid Meal Period Letter of Understanding

Employees entitled to an unpaid meal period will be afforded the opportunity to take such meal period between their third and sixth hours of work, from the commencement of their respective work period. In the event operating requirements prevent taking one's meal period, the affected employee shall be considered to have worked during same and will be compensated accordingly. This letter will remain in force for the term of the current Agreement and will expire on 6/30/2004.



L. W. Castor

Heg20016.DU-4J.doc



# ASARCO

Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

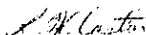
Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## Grievance Committeeman Representation Letter of Understanding

For the duration of this contract, in a department, excluding the Precious Metals Department, which does not have a grievance committeeman or alternate committeeman from the department, the Chairman of the Grievance Committee may act as the department grievance representative until such time as a grievance committeeman or alternate committeeman is designated by the Union from that department; however, at no time shall the Chairman of the Grievance Committee represent more than two departments at any one time. The Union will provide written notice to the Company seven (7) days prior to the date the Chairman of the Grievance Committee begins serving as representative for any department.

Also, for the duration of this contract, the Scrap Department may be represented by the grievance committeeman or alternate committeeman from the Anode Casting Department and the Plant Labor Pool may be represented by the grievance committeeman or alternate committeemen of the department in which they are currently assigned until such time as a grievance committeeman or alternate committeeman is designated by the Union from those departments.

This letter will remain in force for the term of the current Agreement and will expire on 6/30/2004.



L. W. Castor

Neg2001/LOU-U.doc

# ASARCO

Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## **Extension of Time Limits Letter of Understanding**

After the initial filing of a grievance for Step A, if the Union or Company needs additional time to investigate or process a grievance, a reasonable extension of the time limits will be granted if the Union or Company requests the extension prior to the expiration of the contractual time limits. This Letter will remain in force for the term of the current Agreement and will expire on 6/30/2004.

  
L. W. Castor

hsqj0011.c.01/01.doc

# ASARCO

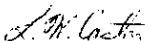
Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, Texas 79107

## **Witness Letter of Understanding**

If a witness is requested by the Company or Union to testify at Step A, B, or C of the grievance procedure and both the Company and Union agree that such testimony is needed, the witness will not suffer any loss in pay for excused straight-time hours away from his job for such testimony. This Letter will remain in force for the term of the current Agreement and will expire on 6/30/2004.



L. W. Castor

Neg0001 EOU-U.doc

# ASARCO

Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

Mr. Richard Ray, President  
Local 5613  
United Steelworkers of America  
4230 State Highway 138  
Amarillo, Texas 79107

## Incremental Vacation / Single Day Vacation Letter Of Understanding

This will confirm our understanding reached during the 2001 negotiations concerning the taking of vacations in single day increments. This letter of Understanding will take effect 7/1/01 and expire June 30, 2004, and upon expiration will be null and void.

1. Employees eligible for two (2) weeks or more of vacation may take one (1) week of vacation, five (5) days, in single day increments.

2. The scheduling of vacation time in single day increments shall be subject to approval of the Company.

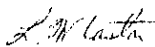
3a-Eligible employees, during the annual vacation scheduling period (usually in December for the following year), must schedule their entire vacation entitlement including the scheduling of five (5) days for the purpose of taking vacation in less than a one (1) week increment if this option is elected. The maximum number of incremental days that may be scheduled consecutively will be three (3) days. All incremental vacations must be scheduled and taken before November 15 of any current year.

3b-Employees who have scheduled their full vacation benefit may, at the sole discretion and approval of the Company, be permitted to take a portion of a scheduled week, consistent with 3a, in less than a full week increment.

**Incremental Vacation / Single Day Vacation  
Letter Of Understanding  
Page 2**

3c-Normally, a change in scheduling of incremental days must be approved by the Company a minimum of one (1) week in advance and prior to the posting of the weekly work schedule. In the event of personal or family illness or emergency reasons beyond the control of the employee which are substantiated and documented by the employee and are acceptable to the Company, the one (1) week period may be waived. However, the employee must receive prior approval before taking any period of vacation. Requests for covering an absence as vacation after missing a work shift will not be permitted. Requests for single day vacations will be handled on a first come - first served basis and shall be granted at the sole discretion and approval of the Company. No incremental vacation will be allowed if the supervisor would have otherwise given the employee an unauthorized absence.

4. No advance pay or vacation bonus will be paid for incremental vacation.
5. Vacation weeks will take precedence over single vacation days.



L. W. Castor

Neg20011,LOU-U.doc

# ASARCO

Amarillo Copper Refinery  
Lawrence W. Castor  
General Manager

June 30, 2001

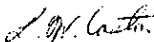
Mr. Richard Ray  
Local 5613  
United Steelworkers of America  
4230 State Highway 136  
Amarillo, TX 79107

## Selection of Arbitrator Letter of Understanding

This will confirm our understanding reached during these 2001 negotiations regarding the selection of arbitrators. For the duration of the Labor Agreement (7/1/01 – 6/30/04), the parties agree to continue the suspension of the arbitrator selection procedures contained in Article IX, Section 5 of the Labor Agreement. If the current panel of five arbitrators falls below two, the parties will revert to the current contract language for selection of an arbitrator. The parties also agree to expand the current panel of five arbitrators to six. Upon ratification of the Labor Agreement, the parties shall endeavor to agree upon the selection of one more arbitrator, that arbitrator coming from the union.

It is understood that the language contained in Article IX, Section 5 regarding the authority of the arbitrator to hear disputes shall remain in effect.

This letter of agreement shall expire upon 6/30/04.



L. W. Castor

neg00611DU-U doc

# **Amarillo Copper Refinery**

***"Success through Safety"***

# **AGREEMENT**

*Between*

**ASARCO Incorporated  
MISSION COMPLEX**

*And*

**International Union of  
Operating Engineers  
LOCAL NO. 428, AFL-CIO**

**International Brotherhood  
of Electrical Workers  
LOCAL NO. 570, AFL-CIO**

**United Steelworkers of America  
LOCAL NO. 937, AFL-CIO**

**International Brotherhood  
of Teamsters, Chauffeurs,  
Warehousemen, and Helpers  
of America  
LOCAL NO. 104, AFL-CIO**



# INDEX

Article	Page
VII	Ability, Demonstration of ..... 16
XVII	Absenteeism ..... 37
XIII	Arbitration and Selection of Arbitrator ..... 32
IV	Assignment ..... 3
I	Bargaining Unit and Exclusions ..... 1
XIV	Bereavement Pay ..... 33
VII	Bidding ..... 13
XVI	Bulletin Boards ..... 36
IV	Check-Off ..... 3
XI	Cost of Living Escalator ..... 29
VII	Departments ..... 13
XXIII	Duration ..... 67
XXIII	Effective Date ..... 67
V	Emergency Work ..... 5
	Exhibit "A" Wage Rates ..... 70
	Exhibit "B" Lines of Promotion ..... 74
	Exhibit "C" Transfer Rights ..... 77
VI	Extended Shift Schedules ..... 8
XXII	401(K) Plan ..... 66
XIII	Grievance, Appeal to Arbitration ..... 29
XIII	Grievance, Definition of ..... 29
XIII	Grievance, No Grievance Processed During Work Stoppage ..... 30
XIII	Grievance, Presentation and Procedure ..... 31
XIII	Grievance, Time Limitations ..... 33
XX	Health-Welfare, Vision Care Prescription Drug, Dental, Life Insurance, and FSA ..... 44

# INDEX - Continued

Article		Page
VIII	Holidays .....	20
VIII	Holidays, Conditions of Pay For .....	20
VIII	Holidays, Not Worked .....	21
VIII	Holidays, Occurring During Vacation .....	21
VIII	Holidays, Pay .....	21
VIII	Holidays, Worked .....	22
V	Hours of Employment: Overtime .....	4
XX	Insurance, Life .....	63
XVII	Intoxication, Discharge for .....	37
XIX	Jury Duty .....	43
XIII	Leaves of Absence .....	34
Exh. B	Lines of Promotion .....	74
XIX	Lunches, Emergency .....	42
V	Lunch Periods .....	7
III	Management Rights .....	2
XIX	Miscellaneous Provisions .....	42
X	New Occupations .....	27
II	Non-Discrimination .....	2
XII	No Strike, No Lockout .....	29
XXIII	Notice, Written .....	67
V	Overtime .....	4
V	Overtime, Distribution of .....	6
V	Overtime, No Changing of Work Week to Avoid .....	5
XVIII	Pay on Day of Injury .....	41
XV	Physical Examinations .....	36

# INDEX - Continued

Article	Page
VII	Posting, Job ..... 13
V	Posting, Work Week Schedule..... 4
	Preamble ..... 1
VII	Probationary Period ..... 11
VIII	Pyramiding of Earnings ..... 22
VII	Qualifications, Determination of ..... 15
Exh A	Rates of Pay ..... 70
VII	Recall and Re-Employment
	After Curtailment ..... 19
I	Recognition ..... 1
V	Recording of Time Worked ..... 4
VII	Reduction of Force ..... 17
V	Reporting Off From and
	Back to Work ..... 10
V	Reporting Time ..... 7
XX	Retirement, Disability and
	Life Insurance ..... 59
XVII	Rules of Conduct ..... 37
XVIII	Safety and Health ..... 37
XXII	Savings Plan, 401(k) ..... 66
V	Scheduled Work Week ..... 4
XXI	Security and Severance Plan ..... 64
VII	Seniority ..... 11
VII	Seniority, Company ..... 11
VII	Seniority, Departmental ..... 11
VII	Seniority, Occupational ..... 11
VII	Seniority, Lists ..... 11
VII	Seniority, Loss of ..... 11
VII	Seniority, Returning
	from absence ..... 11

# INDEX - Continued

Article		Page
VII	Seniority, Supervisors .....	12
XXIII	Separability .....	67
X	Shifts .....	27
X	Shift Differentials .....	27
V	Shift, Rotation .....	10
XIII	Stewards .....	28
XIX	Supervisors, Performance of	
	Work by .....	43
XXIII	Termination .....	67
XIX	Tools .....	42
Exh. C	Transfer Rights .....	77
VII	Vacancy, Permanent .....	13
VII	Vacancy, Temporary .....	15
IX	Vacations .....	22
IX	Vacations, Determination of	
	Payment .....	23
IX	Vacations, Granting of .....	24
IX	Vacations, No Cumulative .....	24
IX	Vacations, Periods and	
	Eligibility .....	24
IX	Vacation Shutdown .....	26
XVII	Violation of Safety Rules .....	37
X	Wages .....	27
Exh. A	Wage Rates .....	70
V	Work Day and Work Week .....	28
V	Work, Emergency .....	9
V	Work in Advance of	
	Scheduled Starting Time .....	6

# INDEX - Continued

Article	Page
V . Work in Excess of 8 Hrs. in Day and 40 Hrs. in Week .....	5
X Work on Higher and Lower Rate Jobs .....	27
V Work Week, Changing to Avoid Overtime .....	4
V Work Week, Scheduled and Posting of.....	4

# **ARTICLES OF AGREEMENT**

---

## **PREAMBLE**

This Agreement, made and entered into this 1st day of July, 2001, by and between ASARCO Incorporated, Mission Complex, Pima County, Arizona, (hereinafter referred to as "the Company"), and International Union of Operating Engineers, Local 428, AFL-CIO, (hereinafter referred to as "Operating Engineers"), International Brotherhood of Electrical Workers, Local 570, AFL-CIO, (hereinafter referred to as "IBEW"), United Steelworkers of America, for and on behalf of Local 937, AFL-CIO, (hereinafter referred to as "Steelworkers"), and International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Local 104, AFL-CIO, (hereinafter referred to as "Teamsters"), said four labor organizations being collectively referred to as "the Union".

## **ARTICLE I**

---

### **Recognition**

#### *Section 1*

The Company hereby recognizes the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment for the employees of the Company as certified by the National Labor Relations Board in Case No. 28-RC-3311 dated June 27, 1977.

#### *Section 2*

The term "employee" shall exclude all office, clerical, warehouse clerical, technical, inventory men, intermediate

clerks, assayers, guards, watchmen, professional employees and supervisors within the meaning of the National Labor Relations Act as amended.

### *Section 3*

Grievances as defined in Article XIII of this Agreement may be adjusted, withdrawn, settled, or arbitrated by the Union in accordance with the provisions contained therein.

## **ARTICLE II**

---

### **Non-Discrimination**

The Company and the Union agree that there shall be no discrimination because of race, color, creed, age, sex, national origin, disability or status as a disabled veteran or veteran of the Vietnam Era.

## **ARTICLE III**

---

### **Management Rights**

#### *Section 1*

The Company retains all managerial rights except to the extent that such rights are expressly limited or surrendered by specific provisions of this Agreement.

#### *Section 2*

The rights referred to in Section 1 shall be deemed to include, but shall not be deemed to be limited to, the right to alter, rearrange, change, extend, limit, suspend, curtail, or discontinue operations or any part thereof, to determine the number of employees and the combinations of labor classifications to be assigned, the extent and nature of the

work to be performed, the manner of performance and the equipment to be used, to establish working schedules, to prescribe operating and safety rules, and to acquire, manage and direct the working force when such action is not in conflict with the provisions of this Agreement.

## **ARTICLE IV**

---

### **Check-Off and Assignment**

During the life of this Agreement, the Company shall check off regular Union initiation fees, monthly dues, and uniform assessments for all employees who shall have individually signed and delivered to the Company voluntary assignment and authorization cards written in such form as may be agreed upon between the parties to this Agreement. Said deductions shall be made from the first pay of each month in accordance with monthly statements provided the Company by the Unions and shall be promptly remitted to the proper representatives of the Unions. The Company's obligation to make such check-off of Union initiation fees, dues and uniform assessments shall be contingent upon there being due from the Company to each employee sufficient monies for such purpose after the prior deduction of sums required by law are withheld. If sufficient monies are not due to an employee in the first pay of the month, then the deduction for Union initiation fees, dues and uniform assessments shall be made from the second pay of the month. Any new check-off assignment, properly executed, will automatically cancel any previous check-off assignment.



# ARTICLE V

---

## Hours of Employment; Overtime

### *Section 1*

- (A). The regular workweek shall commence with the day shift on Sunday and end at the commencement of the same shift the following Sunday. The workday is a period of twenty-four (24) consecutive hours commencing at the starting time of a particular employee's work shift. The standard work shift is eight (8) hours and is the number of hours that may be worked in a workday free of time and one-half overtime compensation. However, nothing contained in this Agreement shall be construed as a guarantee of work or of any particular schedule.
- (B). The scheduled workweek comprises the pre-week assignment by the Company of regular shifts of work to be performed within a workweek by an employee, or each employee of a group of employees. The scheduled workweek is established as such from time to time by a notice posted no later than the end of the day shift on Wednesday.
- (C). The posted scheduled workweek shall not be changed during the workweek for the purpose of avoiding weekly overtime. An employee required to work on his scheduled day off shall not be required to lay off on another scheduled work shift during the same workweek.
- (D). All time worked will be recorded to the nearest one-tenth (1/10) of an hour. All overtime must be authorized.

## *Section 2*

Time and one-half shall be paid for all time worked in excess of eight (8) hours in a workday, or in excess of forty (40) hours in a workweek; but there shall be no pyramiding of this overtime pay, both daily and weekly overtime shall not be paid for the same overtime hours worked. Time and one-half for time worked in excess of eight (8) hours in a workday shall not apply when the time in excess of eight (8) is caused by:

1. Shift changes.
2. Relief for swing men's regular assignments requiring them to work two (2) shifts in a twenty-four (24) hour period.

In the event an employee works six (6) days in the regularly scheduled workweek, such employee shall receive time and one-half for the sixth day, and in the event the employee works seven (7) days in the regularly scheduled workweek, he shall receive double the regular rate of pay for such seventh day; provided that work of four (4) or more hours duration performed on any shift that is not a continuation of a previous shift shall constitute a working day for the purpose only of determining a sixth or seventh day; but this shall not result in any premium pyramid of whatever type.

## *Section 3*

- (A). Any employee called for work between his regular shifts shall be paid at time and one-half for such work or a minimum payment of five (5) hours at his regular rate, whichever is greater.
- (B). Where practical, overtime work will be distributed as equitably as possible within a crew, consistent with the efficient conduct of the operation.

- (C). An employee required to begin work in advance of his regularly scheduled starting time shall not be required to lay off that day a corresponding interval in advance of his regularly scheduled finishing time.

#### ***Section 4***

When an employee reports for work on a regular shift, or is instructed to report for work on a special shift, and upon reporting at the scheduled time finds no work available, he shall be paid six (6) hours at his regular rate in lieu thereof, unless that employee is notified at least eight (8) hours prior to the starting time not to report. The foregoing shall not apply where the employer's failure to provide work is occasioned by, or results from:

1. Plant delay, resulting from causes beyond the control of the Company, or
2. When an employee has been absent for one shift or more, and said employee fails to notify the departmental supervisor then in charge at least eight (8) hours prior to the commencement of this shift to which the employee intends to return.

#### ***Section 5***

Employees who are unable to report for work at their regular shift starting time shall give as much advance notice as possible to their Supervisor or the Company, unless it is impossible to do so. Employees who fail to give notice to the Company that they will be absent, even though the reason may be otherwise excusable may be subject to discipline.

#### ***Section 6***

An employee who expects to return to work from any absence must notify his Supervisor or the Company, as soon as

possible, of the shift on which the employee intends to return to work, unless the employee has made prior arrangements with his Supervisor or the Company when he intends to return to work.

If an employee fails to make prior arrangements in advance before the start of the shift, the employee will be sent home.

### ***Section 7***

- (A). Employees assigned to a regular operating crew on rotation will be permitted to eat lunch while on duty. For those not assigned on rotation, the work shift shall constitute two approximately equal periods totaling eight (8) hours separated by a lunch period of one-half hour during which the employee is relieved of all duties.
- (B). When employees in the same occupational classification are regularly required to perform the same duties on more than one shift, they shall be rotated on an equal basis.
- (C). Where practical, and consistent with efficient operation of the Complex, it is the intent of the Company to allow employees to eat their lunch between the third and fifth hour.

### ***Section 8***

All pit employees will report to the change house for assignment fifteen (15) minutes prior to their scheduled shifts. The Company will pay fifteen (15) minutes straight time pay each day for such report. Employees will be paid fifteen (15) minutes at time and one-half on the day a safety meeting is held prior to travel to the pit. Travel time into the pit will not be considered time worked for overtime purposes except van drivers who transport pit employees into the pit.

If an employee is required to report to the change house more than fifteen (15) minutes before his/her scheduled shift, the employee will be paid straight time for that time period. In no event, however, will the employee be required to report more than twenty (20) minutes before his or her scheduled shift.

If more than fifteen (15) minutes pass before an individual in pit operations is returned to the change house from his/her work station at the end of the shift, he/she will be paid overtime for the actual time in excess of fifteen (15) minutes based on the nearest 1/10 hour (for positive relief purposes only).

The Company reserves the right to determine whether to use or discontinue positive relief in the mine operations. If the Company decides not to use positive relief, the employees will report to the change house at the start of the shift and will be returned to the change house by the end of their shift.

## **ARTICLE VI**

---

### **Extended Shifts**

#### *Section 1*

If the Company and the Union decides an extended shift schedule is consistent with the needs of the operation for a particular department or natural work group, the Company will provide the Union with a copy of the proposed work schedule. The proposed schedule will be adopted if the four chief stewards and the Company agree the schedule will be placed in effect for six months. The extended shift schedule will continue until either the Company determines it is no longer consistent with the needs of the operation or the Union gives sixty (60) days notice to cancel, in which case the Company will reinstitute the 8-hour shift.

## ***Section 2***

Employees working extended shifts will be paid overtime if the employee works beyond his/her regularly scheduled shift in one workday or more than forty hours in one workweek. Employees will not be required to work more than sixteen hours in one workday except in case of emergency. The Company will seek volunteers for overtime before requiring employees to stay. Employees working twelve-hour shifts will not be required to work overtime on consecutive days unless no other qualified employee is available on that shift. Employees working overtime after a twelve-hour shift will be provided an overtime lunch within approximately the first two hours of overtime; any pay in lieu of lunch will be in accordance with Article XIX, Section 2.

## ***Section 3***

Employees working the second shift will be paid the night shift differential. Overtime shift differentials will be paid in accordance with Article X.

## ***Section 4***

Vacation pay is based upon total vacation hours eligibility. Vacation days taken during the year will be deducted from the employee's total vacation hours eligibility based upon the number of hours the employee was scheduled to work during the absence. Residual vacation hours equal to half or more of a full shift may be taken as a vacation day with the residual hours paid, or the employee may elect to be paid for those hours in lieu of time off. Residual hours of less than half a full shift may not be taken as a vacation day and the employee will be paid for the unused vacation hours. Scheduling of vacations is subject to the approval of the Company.

## ***Section 5***

Employees working on a holiday will be paid according to Article VIII, Section 8. Employees will be paid eight (8) hours straight time pay for holidays not worked, subject to Article VIII.

## ***Section 6***

The employee will receive full shift pay for the regularly scheduled workdays, subject to the terms and conditions of Article XIX, Section 5.

## ***Section 7***

Employees will receive full shift pay for the regularly scheduled workdays, subject to the terms and conditions of Article XIV, Section 7.

## ***Section 8***

Employees will receive compensation for lost time according to Article XVIII, based on the hours they otherwise were scheduled and would have worked.

Accommodations for employees needing time off or shift trades will be handled according to current practice, keeping in mind that the additional days off inherent in extended shifts should allow employees more than ample time to take care of most personal business.

The Company will have final approval of all schedules and reserves the right to discontinue the extended shift schedules if the needs of the operation so require. In addition, reference to ten or twelve-hour shifts in this or any other Article regarding extended shifts is not intended to preclude scheduling for shifts of any length up to twelve hours in accordance with this Agreement.

# ARTICLE VII

---

## Seniority

### *Section 1*

Each employee hereafter employed by the Company shall not be considered a regular employee of the Company until after a probationary period of seventy-five (75) days worked, during which time he shall familiarize himself with his job, safety rules and other Company rules and regulations. During this probationary period only, the Company may, in its sole discretion, transfer or discharge the employee. Employees retained after this probationary period acquire seniority status from the first day of employment.

### *Section 2*

The seniority list, which will be corrected, quarterly each year and following the conclusion of any strike or layoff will show the names of the employees by the Department and with respect to each employee said list will show the following dates:

1. Company seniority date, which is defined as an employee's length of continuous service at the Mission Complex in respect to his last date of hire.
2. Departmental seniority date, which is defined as an employee's length of continuous service from the date he last entered his Department.
3. Occupational seniority date, which is defined as the date he first commenced working in a particular occupation by filling a permanent vacancy in that occupation, or would have commenced working in such occupation had he not been absent for one of



the reasons as provided in Section 9 (B) of this Article unless he moves to a different line of promotion in which event he would forfeit his seniority in the line of promotion vacated.

Each Department list shall be posted in its respective Department. A copy of the complete list shall be given to each of the Unions and Chief Stewards. Lines of Promotion are included in this Agreement as Exhibit B.

### ***Section 3***

An employee's seniority shall be terminated by:

1. Discharge for just cause.
2. Quits.
3. Expiration of a period of twenty-four (24) months since such employee last worked for the Company; and seniority shall terminate for an employee who has three (3) or more years of service as of his last day worked for the Company, upon the expiration of thirty-six (36) months of such absence.
4. Failure to return to work when called as provided in Section 13 hereof.

### ***Section 4***

If an employee, now or hereafter, occupies a supervisory position, and is demoted back into the bargaining unit, he shall retain the seniority rating which he had at the time of promotion, if he has not held the supervisory position more than 24 months. If he has held the supervisory position more than 24 months, he may return to an open job or a job at the bottom of the flow line.

## ***Section 5***

For the purposes of departmental seniority, the Departments shall be as follows:

1. Open Pit Mining Department.
2. Mechanical Department.
3. Concentrator Department.

## ***Section 6***

A permanent vacancy is defined as and limited to: a job left vacant by reason of an employee leaving one job permanently to take another within the Complex, or an employee leaving permanently the employ of the Company, or a new and permanent job created by the Company.

## ***Section 7***

If the Company finds it necessary to fill a vacancy, as defined in Section 6 above, it shall be filled in the following sequence:

1. By an employee previously removed from such occupation by a reduction in force.
2. By an employee because of health reasons, who has previously demoted from or is presently demoting to such occupation, as provided in Section 11 of this Article.
3. By an employee in the line of promotion requesting demotion to such occupation, as provided in Section 11 of this Article.
4. By the senior qualified employee next lower in the line of promotion.
5. If the vacancy cannot be filled as provided above, a

notice will be posted plant-wide that will give the occupational classification in which the vacancy exists and shall be posted for three (3) working days and then taken down, closing the period of bidding. An employee wishing to apply for any posted vacancy will do so by presenting written application to the head of the Department in which the vacancy exists. The job shall be awarded to the senior qualified bidder within the Department.

6. If there are no qualified employees bidding on the posted job vacancy within the Department, the Company will fill the vacancy from the senior (Company seniority) qualified bidder from another department. Any employee who has bid for a job involving a transfer from one Department to another will be given full consideration for such bid provided he has the qualifications the Company does require were said employee to be hired into the Department from the street.
7. If there are no qualified employees bidding on the posted job vacancy plant-wide, the Company may fill the vacancy from any source.
8. No employee who has worked for the Company for less than one year may apply for an interdepartmental transfer except as set forth below.
9. An employee with less than one year of service and who is demoted for proven physical reasons as certified by a physician as set forth in Section 11 of this Article may be demoted to another Department in less than one year under the following circumstances:
  - a. He cannot perform his own job for physical

reasons.

- b. There is no job for which he is qualified within his Department to which he can demote by occupational seniority.
- c. There is a job vacancy as set forth in Section 6 above.
- d. He is qualified as set forth in Paragraph (6) above.

### ***Section 8***

A vacancy other than a permanent vacancy as described in Section 6 above shall be deemed a temporary vacancy. If the Company finds it necessary to fill a temporary vacancy it shall be filled as follows:

1. Any temporary vacancy, which can be foreseen by the Supervisor more than eight (8) hours before it, is to be filled shall be filled by the senior qualified employee from the line of promotion on the shift involved. In the event said temporary vacancy cannot be foreseen by the Supervisor more than eight (8) hours before it is to be filled, it shall be filled for the first shift or remaining portion thereof in the same manner, provided no delay or impairment of the efficiency of the operations would result. If efficiency is so impaired the temporary vacancy may be filled for the first shift or remaining portion thereof from any source within the Department. In the event said temporary vacancy cannot be filled from any source within the Department, it may then be filled from any source.
2. After the first eight (8) hours and up to forty-five (45) days the vacancy will be filled by the senior qualified employee in the line of promotion on the

shift involved. If there is no such qualified employee, the temporary vacancy will be filled from any source.

3. However, if it is anticipated that such a job shall continue for more than forty-five (45) days, it shall be filled as provided in Section 7 as if it were a permanent vacancy.

An employee filling a temporary vacancy shall upon its termination return to the classification from which he was transferred without loss of seniority.

### ***Section 9***

- (A). Selections shall be based on the necessary qualifications such as, but not limited to, skill, ability and experience. Determination of these qualifications shall be made by the Company fairly and in good faith. Standards used by the Company in the selection of qualified employees shall be uniformly applied.
- (B). A qualified employee returning from any absence except layoff, may, within five (5) working days exercise his seniority to displace an employee his junior who during his absence has filled a permanent vacancy under Section 7 above. An employee so displaced shall return to his former job without loss of seniority.

### ***Section 10***

The selected applicant for the vacancy shall be given ten (10) days to demonstrate his ability to satisfactorily perform the job, provided the employee can be removed if he endangers life, limb or property. If such employee fails to satisfactorily perform the job within the said period, he shall be returned to his former job without loss of seniority but must wait for a period of six (6) months before again applying for a job vacancy requiring the same or similar qualifications. When

an employee is promoted or hired past one or more occupations in a line of promotion, he shall acquire occupational seniority dates in the intervening occupations as of the date by-passed.

An employee, who has successfully been awarded a job bid may, within ten (10) days of the filling of the bid, voluntarily elect to disqualify himself from such job and return to his former classification without loss of seniority. A person electing to return to his former job under this provision may not again disqualify himself for any other position during the life of the Agreement.

### ***Section 11***

Except as specifically provided in Section 7 of this Article, an employee may request a demotion to a lower occupational classification in the same line of promotion or to the Labor classification in his or another Department and, if his reasons are justifiable and he has filed a written request with his Department Head, he shall, if qualified in accordance with Section 9 (A) of this Article, be demoted thereto on the basis of his occupational seniority date in such lower occupation. An employee thus demoted shall forfeit all seniority in occupational classifications above the one accepted. His occupational date and Departmental seniority date, where he is transferred to another Department, shall be the effective date of the demotion. An employee demoted for proven physical reasons, certified by a physician, shall retain all seniority.

### ***Section 12***

In reduction of the work force, employees affected thereby shall exercise their seniority in the following manner:

1. An employee shall exercise his occupational seniority date to claim a job lower in his line of promotion.\*
2. In the event the employee cannot remain in his Department by virtue of Section 12 (1), above, he then shall exercise his Company seniority to claim a job as Laborer in any Department, provided he is qualified.
3. In the event an employee is to be reduced from his present occupation due to a reduction of work force, and employees are going to be laid off from the Company, an employee can accept layoff instead of demotion and will be recalled on the basis of his occupational seniority when a vacancy exists in the occupation.

\*For underground employees with seniority prior to 9/1/94, who bid for an underground position during the initial 2 week open bid period and thereafter transferred (either intra- or inter-departmental transfer) to the Miner's line of promotion in the Mining Department, will be allowed to accumulate seniority in their previous occupation to be used only in the event of a permanent or indefinite reduction in force in the underground mine operation.

\*In the event of permanent or indefinite reductions in force in the underground operation, employees who were hired after 9/1/94 or who bid to the Miner's line of promotion after the open bid period, will be considered as having acquired seniority in the Heavy Truck Driver classification and will be "slotted" with the existing heavy truck drivers by establishing occupational seniority dates which reflect the sequence in which they entered the department.

### *Section 13*

When recall takes place, the employee with the greatest plant-wide seniority shall be recalled first and so on, down through the layoff list, providing the employee so recalled has the qualifications to do the work required.

Any employee who has been laid off, but whose seniority has not been terminated in accordance with Section 3, shall keep the Company advised as to his address and will be notified when his services are again required. Such employee shall have three (3) working days from the date of receipt by him of registered or certified notice in which he must notify the Company of his intention to accept employment, and such employee must present himself for employment within fourteen (14) days from the date he notifies the Company of his intent to return to work unless a longer time has been agreed to between the Union and the Company.

It is agreed that failure on the part of such employee to notify the Company of his acceptance of employment within three (3) working days from the date of receipt by him of such registered or certified notice, or his failure to report for such employment within the fourteen (14) day period from his notification of his intent to return to work unless a longer time has been agreed to between the Union and the Company, he shall be considered to have quit.



# ARTICLE VIII

---

## Holidays

### *Section 1*

The following shall be recognized as holidays:

New Year's Day  
Easter Sunday  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Christmas Eve Day  
Christmas Day  
New Year's Eve Day

Whenever one of these holidays falls on a Sunday, the following Monday shall be recognized as the holiday, except for Easter Sunday, Christmas Eve Day, Christmas Day, New Year's Eve Day, and New Year's Day, which holidays shall be observed on the Sunday.

### *Section 2*

Subject to the other conditions set forth below in this Article VIII, employees who have been on the Company's payroll continuously for forty-five (45) days prior to the holiday in question shall be paid for the above specified holiday not worked, at their straight-time rate of pay, excluding any shift differential or other premium pay. This forty-five (45) day requirement shall apply only to hires and rehires on or after July 1, 1986, and shall not apply to employees recalled after such date.

### ***Section 3***

It shall be a condition of pay for an unworked holiday that an employee actually work his last regularly scheduled shift preceding the holiday and his first regularly scheduled shift following the holiday; provided, however, that if an employee is absent on either or both of these days because of personal sickness, verified by a Doctor, and reports such promptly to his Supervisor, such days will not be counted as scheduled. An employee who has been excused by his Supervisor from working his last scheduled shift before the holiday, or his shift occurring on the holiday, or his first scheduled shift after the holiday, shall be considered as not having been scheduled to work on such day or days.

### ***Section 4***

If an employee is scheduled or requested to work on a holiday, and does not work, he shall not receive holiday pay, unless his absence is due to a cause specified in Section 3 above.

### ***Section 5***

Should a holiday occur during an employee's vacation, the employee may elect pay in lieu of the holiday or an additional day off with pay, the scheduling of which must be approved by management.

### ***Section 6***

An employee who is entitled to draw industrial injury compensation shall be entitled to pay for a holiday provided he has worked some time during the workweek in which the holiday falls.

### ***Section 7***

A holiday not worked shall not be considered as time worked in the computation of weekly overtime.

### *Section 8*

If an employee works on any of the holidays designated in this Article VIII, Section 1 above, he shall be paid double and one-half time for all hours worked computed at his regular straight-time rate, plus any applicable shift differential on a straight-time basis as defined in Article X, Section 3. Hours worked on a holiday shall be counted in the computation of hours worked in a week.

### *Section 9*

There shall be no pyramiding of earnings resulting from various types of overtime and with the exception of pay for holidays worked as defined in this Article VIII, Section 8, the maximum total paid any employee for any hours worked shall be two (2) times his hourly rate of pay as fixed by Exhibit "A" attached hereto, plus any applicable shift differential on a straight-time basis.

## **ARTICLE IX**

---

### **Vacations**

#### *Section 1*

All employees who have been continuously employed for at least one (1) year, and who have worked at least twelve hundred (1,200) hours during the preceding employment year, shall be entitled to a vacation of one (1) week with pay.

In computing the 1,200-hour eligibility requirement for vacations as set forth in this Article VIV, time lost on a regularly scheduled hour basis due to periods of sickness or injury not in excess of a total of two hundred forty (240) hours certified to by a Company physician shall be considered as time worked in order to qualify for vacation.

## *Section 2*

All employees who have been continuously employed for a period of three (3) years and who have worked at least twelve hundred (1,200) hours during the preceding employment year, shall be entitled to a vacation of two (2) weeks with pay.

## *Section 3*

All employees who have been continuously employed for a period of ten (10) years and who have worked at least twelve hundred (1,200) hours during the preceding employment year shall be entitled to a vacation of three (3) weeks with pay.

## *Section 4*

All employees who have been continuously employed for a period of seventeen (17) years and who have worked at least twelve hundred (1,200) hours during the preceding employment year shall be entitled to a vacation of four (4) weeks with pay.

## *Section 5*

All employees who have been continuously employed for a period of twenty-five (25) years and who have worked at least twelve hundred (1,200) hours during the preceding employment year shall be entitled to a vacation of five (5) weeks with pay.

## *Section 6*

A week's vacation pay shall be determined by multiplying the employee's average straight-time rate of pay, excluding any shift differential, by the average number of hours in his scheduled workweek in effect for the preceding year, with a minimum of forty (40) hours and a maximum of forty-eight (48) hours.

## ***Section 7***

An employee shall be considered as qualified for his second and subsequent vacations upon having passed his anniversary date and completed twelve hundred (1,200) hours worked in the year preceding such anniversary date.

## ***Section 8***

Time lost on a regularly scheduled hours basis because of accidents compensable under a State Workers Compensation Law, jury duty, and temporary layoffs (excluding layoffs due to a reduction of the work force) will be considered as time worked in order to qualify for vacations.

## ***Section 9***

Time lost on a regularly scheduled hours basis because of absence due to Union business not in excess of a total of two hundred forty (240) hours shall be considered as time worked in order to qualify for vacation.

## ***Section 10***

Vacations will, so far as possible, be granted at the time most desired by the employee in accordance with his seniority to the extent practicable, but the final right to allotment of vacation period is reserved to the Company in order to ensure ordinary operation. The Company may elect to give all vacation at the same time, or to stagger vacations according to plant convenience.

## ***Section 11***

Vacation periods shall not be cumulative. Employees will be allowed to sell back to the Company all but two weeks of the vacation to which they are entitled in a vacation year and receive pay in lieu of vacation. Employees may not sell back

more than one week in any calendar quarter. Payment for vacation periods will be made on a continuous pay basis and will be subject to the usual deductions.

Employees with two or more weeks of vacation will be permitted to take up to two weeks of their vacation in increments of one day or more.

### ***Section 12***

An employee who has completed one (1) year or more of employment with the Company and is laid off in a reduction of force shall be eligible for pro rata vacation pay, for each full month worked, on the basis of his having worked at least seventy-five percent (75%) of the working days scheduled by the Company and available to him since his most recent anniversary date. If he is recalled within one (1) year after layoff, he shall receive additional pro rata vacation pay for the period between recall and his subsequent anniversary date, calculated as set forth in the preceding sentence.

An employee terminated for any reason other than quit or discharge who is not eligible for a vacation shall receive a pro rata payment based on percent of service to date of termination.

### ***Section 13***

In addition to the regular vacation pay to which an employee is entitled, there shall be paid a vacation bonus in accordance with the following schedule:

<u>Vacation Week</u> <u>Commencing In</u>	<u>Bonus</u>
April, May, October, December .....	\$35.00 per week

January, February, March, November .....	\$50.00 per week
June, July, August, September .....	No Bonus

The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences. For example, an employee whose two consecutive weeks vacation begins Sunday, September 26, 1976, would be entitled to no bonus for the first vacation week but would be entitled to a \$35.00 bonus for the second vacation week which begins Sunday, October 3, 1976. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds. A \$20.00 bonus shall be paid for vacation weeks in lieu of time off.

The vacation bonus is an add-on to, and not part of, an employee's regular vacation pay.

#### ***Section 14***

In the event of a vacation shutdown, employees who have completed one year of continuous service, or more, will take whatever vacation to which they are entitled, if any, during the shutdown. The amount of vacation entitlement shall be based on the years of continuous service reached during the year in which the shutdown takes place. An employee who has not completed one year of continuous service, or an employee with more than one year of continuous service who has not completed his 1,200 hours worked requirement at the time of the shutdown, shall not receive any vacation at that time. Said employee shall receive his vacation after he has qualified for same in accordance with the balance of this Article. Employees who take their vacation during the shutdown shall be paid their vacation pay at the time of the

shutdown.

## ARTICLE X

---

### Wages, Shift Differential

#### *Section 1*

- (A). The wage scale attached as Exhibit "A" shall be in force and effect for the period specified during the term of this Agreement. The wage scale shall be modified in accordance with Article XI.
- (B). In the event a new occupation not shown on Exhibit "A" is established, or in the event of a substantial change in the job content of an existing occupation, the Company and the Union shall negotiate an appropriate rate for such occupation. In case of the inability of the parties to agree on such a rate, the matter may be referred to arbitration. The arbitrator shall be empowered to hear and decide only one such rate question and to establish an appropriate rate for such occupation by taking account of the rates for existing occupations as established by this Agreement and by slotting the new occupation into proper relationship with such existing rates. Such rate shall be retroactive to the day that such new occupation began.

#### *Section 2*

Whenever an employee is called off his regular assignment to perform work for which a lower rate is paid, he shall receive his usual rate for all time worked that day. If the other work is classed at a higher rate, he shall receive the rates applicable to the different classes of work performed, unless four (4) or more hours are worked at the higher rate, in which event he shall receive the higher rate for the full shift.



### *Section 3*

For the purpose of determining the application of shift differentials, the shifts shall be defined as follows:

**Day or First Shift:** a work shift starting between 6:30 and 9:00 a.m.

**Afternoon or Second Shift:** a work shift starting between 3:30 and 4:30 p.m.

**Night or Third Shift:** a work shift starting between 11:30 p.m. and 12:30 a.m.

### *Section 4*

- (A). Employees on the day shift shall receive no shift differential for work during their regular shift hours or for overtime work immediately following their regular shift hours.
- (B). Employees on the afternoon shift shall receive a shift differential of thirty (30) cents per hour for work during their regular shift hours or for overtime work immediately following their regular shift hours.
- (C). Employees on the night shift shall receive a shift differential of forty-five (45) cents per hour for work during their regular shift hours or for overtime work immediately following their regular shift hours.
- (D). In the case of an employee whose starting time does not fall within the time limits specified above, a shift differential of thirty (30) cents per hour shall be paid if four (4) hours or more of his shift falls within the afternoon shift, while a shift differential of forty-five (45) cents per hour shall be paid if four (4) hours or more of his shift falls within the night shift.

# ARTICLE XI

---

## Cost of Living

The cost of living adjustment is to remain suspended for the duration of the Agreement.

# ARTICLE XII

---

## No Strike, No Lockout

### *Section 1*

The Union agrees that during the term of this Agreement there shall be no strike or stoppage of or interference with work and the Company agrees that there will be no lockout of its employees.

### *Section 2*

Any employee who violates this Article shall be subject to discipline and discharge by the Company, with right of appeal to the grievance procedure only as to the determination of the question of violation.

# ARTICLE XIII

---

## Grievance and Arbitration Procedure

### *Section 1*

The Company shall recognize four (4) Chief Stewards, one each for the Unions signatory hereto. The four Stewards so designated shall constitute the Grievance Committee. If the Union selects additional Stewards, an authorized Officer thereof shall promptly certify such selection(s) to the Company and promptly thereafter as changes are made. The

four (4) Chief Stewards shall be assigned to the day shift.

## ***Section 2***

Any dispute arising as to the meaning, application or the observance of any provision of this Agreement shall be regarded as a grievance and shall be presented and processed in accordance with the procedure hereinafter set forth. Grievances shall be discussed during regular working hours whenever practicable, without loss of pay to the grievant, a grievant representing a group of employees, one Steward at the first or second step, the Grievance Committee at the third step, and one witness where necessary.

## ***Section 3***

The grievance procedure, which shall not be used to obtain a revision of or addition to this Agreement, is as follows:

- Step 1. Within fifteen (15) days, the grievance shall be presented for discussion between the aggrieved employee(s) and his Supervisor, with or without the presence of his Steward.

The Supervisor shall answer the grievance promptly, but in any event within forty-eight (48) hours of the presentation, Saturdays, Sundays and holidays excepted. If the Supervisor's answer is not given within forty-eight (48) hours, Saturdays, Sundays and holidays excepted, the grievance may be taken to the next step.

The grievance must be reduced to writing, signed by the aggrieved employee(s) and his Grievance Committeeman, and presented for Step 2 within seventy-two (72) hours of the Supervisor's answer, Saturdays, Sundays and holidays excepted, or it shall be considered dropped. Step 2 grievance

meetings will be scheduled as promptly as business conditions will allow. Appearances in Steps 1, 2 and 3 of this Section shall be limited to the aggrieved employee and not more than one of a group of aggrieved employees.

**Step 2.** Between the aggrieved employee(s), his Grievance Committeeman, and the Department Head. The Department Head shall answer the grievance promptly, but in any event within ninety-six (96) hours, Saturdays, Sundays and holidays excepted. If the Department Head's answer is not given within ninety-six (96) hours, Saturdays, Sundays and holidays excepted, the grievance may be taken to the next step. Copy of said answer shall be given to each grievant, Grievance Committeeman and Union. The written grievance must be presented for Step 3 within ninety-six (96) hours of the Department Head's answer, Saturdays, Sundays and holidays excepted, or it shall be considered dropped.

**Step 3.** Between the aggrieved employee(s), the Grievance Committee, Representatives of the Union and the Manager. The Step 3 meeting shall be held not more than five (5) days, Saturdays, Sundays and holidays excepted, after the Company shall have received written notice from the Union. The Company must notify the Union of its decision in writing within five (5) days following the meeting, Saturdays, Sundays and holidays excepted.

If the Company's answer is not given within the five (5) days, Saturdays, Sundays and holidays excepted, the grievance may be taken to

arbitration. If the Union does not accept the decision, the principal Union involved must notify the Company in writing within ten (10) days, Saturdays, Sundays and holidays excepted, of receipt of such decision of its intent to arbitrate or it shall be considered dropped.

#### *Section 4*

Decisions arrived at, either through agreement or expiration of the time limitations, shall be final and binding on all parties, but in the event an agreement cannot be arrived at, the grievance may go to arbitration in accordance with the terms and conditions of Section 5 of this Article.

#### *Section 5*

The parties will make every effort to agree upon the designation of a fair and impartial person to act as arbitrator. If the parties are unable to agree on a designation within one (1) week, they shall submit a joint request to the Federal Mediation and Conciliation Service for submission of a panel of seven (7) names. From this panel, or subsequent panels, if none of the names on a panel are acceptable, a single name shall be selected and designated to act as arbitrator. The maximum number of panels that may be requested shall be three, and failing a selection from three panels by the parties, the parties shall request the Federal Mediation and Conciliation Service to make an appointment of a single arbitrator. The arbitrator so selected or appointed shall be empowered to hear and decide only one grievance.

In arbitration cases involving discharge, the parties will attempt to select an arbitrator, in accordance with the selection provision, that has an available date within forty-five (45) days following the appeal to arbitration. Such arbitrator would be directed to render a decision within thirty (30)

days following the hearing. If no arbitrator selected in accordance with this provision has such an available date, the parties will agree upon another arbitrator to hear the case in accordance with this provision.

The arbitrator's decision shall be in writing and served on both parties to the Agreement. It shall be final and binding on all parties unless the arbitrator has exceeded the authority granted him by this Agreement. The fee and expense of the arbitrator shall be borne equally by the Company and the Union. The arbitrator shall have no authority or discretion to alter, amend, modify or add to any provision of this Agreement, or to decide any matter not covered by a specific provision of this Agreement.

### ***Section 6***

No grievance will be considered or processed while a work stoppage or slowdown interferes with the orderly operation of the property.

### ***Section 7***

After the probationary period shall have elapsed, no employee shall be discharged or disciplined without just cause.

In the event an employee is discharged, given a disciplinary layoff, or is suspended by a Supervisor, the Supervisor shall give an oral explanation for his action to the employee in the presence of the nearest available Steward present in the Department on the shift involved.

If an employee is given a disciplinary layoff or discharge he shall be given written notice of the reasons for same within forty-eight (48) hours, Saturdays, Sundays and holidays excepted, and a copy of the written notice shall be given to a Chief Steward.

# ARTICLE XIV

---

## Leaves of Absence

### *Section 1*

A request for permission to lay off work without pay for personal reasons up to five (5) days shall be arranged with an employee's Department Head.

### *Section 2*

A leave of absence without pay for a legitimate cause may be granted for up to thirty (30) days without loss of seniority. Such leaves of absence shall be applied for in writing and shall be subject to approval by the General Manager. Under extreme hardship situations, this leave may be extended at the discretion of the General Manager for an additional thirty (30) days.

### *Section 3*

The Company shall not be expected to grant leaves of absence except for good cause.

### *Section 4*

It is understood that leaves of absence are not granted for the purpose of engaging in other employment, and employees using leaves of absence for such purpose shall be subject to discharge.

### *Section 5*

Employees on leave of absence shall not be entitled to pay for holidays during their leave.

## *Section 6*

The Company will grant to an employee a leave of absence for a period not to exceed two (2) years to work in an official capacity for the Union. This leave will be limited to not more than four (4) employees at any given time and may be extended for an additional two (2) year period if the Company and the Union agree to it. Upon the termination of this Union employment, the employees shall be reinstated with accrued seniority rights unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; provided, however, that such employee is physically able to perform the duties of such job and that he makes application to the Company for reinstatement within ten (10) days after said termination. No benefits of employment, except seniority, shall accrue during the period of absence.

## *Section 7*

In case of death in the immediate family of an employee, the employee will be allowed three days off with straight time pay, to be taken any time between the date of the occurrence of death and the day following the funeral. To qualify for pay, the three days off must be on regularly scheduled workdays and at least two of these days must be consecutive. "Death in the immediate family" shall be limited to the death of Father, Mother, Stepfather, Stepmother, Mother-in-Law, Father-in-Law, Son-in-Law, Daughter-in-Law, Grandmother, Grandfather, Husband, Wife, Sister, Brother, Stepbrother, Stepsister, Child, Stepchild, Grandchild. Employees will be allowed one (1) day off with straight-time pay for the death of a sister-in-law, brother-in-law, grandmother-in-law or grandfather-in-law.

If for any reason an employee works his regularly scheduled day or any part or all of the above specified days, this clause will in no way be construed as eligibility for premium pay



## **FIRST AID FACILITIES**

Adequate First Aid facilities and access to emergency First Aid treatment shall be provided by the Company. A registered Nurse or qualified trained personnel shall be available to administer First Aid to employees on all shifts.

## **TRAINING**

**New Employees:** All new employees shall be given a thorough indoctrination in the applicable Safety and Health program, and shall be provided with a listing of the members of the Safety and Health Committee. The Union shall be responsible for providing the Company with a current listing of Union representatives on the Committee.

**All Employees:** All employees will be instructed on the safety and health aspects of their particular job.

**New Equipment and Processes:** When the Company introduces new equipment or processes, all employees involved shall be instructed and trained in its safe operation.

Where the Company uses or introduces chemicals, solvents, and gasses, which may be or become a recognized hazard in working areas, the Company will advise affected employees and the Union departmental Safety and Health Representative of precautions which have been taken and to be observed for their protection. On request of the Committee's Union Representatives, the Company will provide written assurance that such steps have been taken.

## **RECORD KEEPING AND REVIEW**

**Exposure Measurements:** The Company will keep such records of exposure as may be required by the U.S. Department of Labor. On request of the Committee's Union Representatives, the Company will review the results of

exposure measurements with them.

**Accident Frequency and Severity:** A summary report of accident frequency and severity shall be prepared quarterly and forwarded to the Local Union and the International Union Safety and Health Department. Such summary report may be reviewed upon request of either party at the Safety and Health Committee meetings.

### **COMMITTEE MEMBERS AND MEETINGS**

A Safety and Health Representative and an Alternate in each Department of the Plant, to a maximum of three Representatives and three Alternates if the number of Departments exceeds three, shall be designated by the Union. These Representatives or an Alternate, if available, in the absence of the Representatives shall meet with the Company Representatives monthly, as a "Safety and Health Committee" (hereinafter called the "Committee"), to review and discuss Safety and Health matters. Without detracting from the existing rights and obligations of the parties, alcoholism or drug abuse may also be discussed with the objective of rehabilitating the afflicted employee. These meetings shall be held during the day shift working hours. Representatives or Alternates at work shall not suffer loss of time for attending.

A special meeting may be called by either party on reasonable notice to all Representatives, as a specific Safety and Health situation requires. Representatives or Alternates at work shall not suffer loss of time for attending.

### **REPORTS OF MEETINGS**

A written report of regular and special meetings, including subjects discussed, recommendations made and action taken, shall be prepared by a Company Representative and a copy sent to each Representative within five (5) working days

following the meeting.

If the Union Committee Representatives take exceptions to the minutes, such exceptions may be submitted in writing to the Company within five (5) days after receipt of the minutes.

### **COMPLAINTS AND/OR DISPUTES**

An employee who sincerely believes and alleges that an unsafe condition exists on a job beyond normal hazards inherent in the operation, such that he is in danger of injury, may on request, be promptly assigned to another job if available, at the rate of pay on that job, or sent home. The employee may request that the Departmental Safety and Health Representative, or Alternate in the absence of the Representative, be called to confer with the Company regarding the alleged unsafe condition. The determination whether to assign the employee to another job, if available, or to send him home, shall be made by the Company. After assuring itself that the job is, in fact, safe, should the Company wish to assign another employee to the job, he or she will be advised of the dispute before assignment.

If the job is found to be unsafe at the next scheduled safety meeting provided for herein, to which the affected employee will be given the opportunity to attend if deemed necessary by the Committee, he will suffer no loss in pay for the time lost. If there is no agreement as a result of such meeting, the matter will be resolved by an arbitrator to be selected in the manner set forth in Article XII. This provision will not be subject to the regular grievance procedure of this Contract.

### **INSPECTIONS**

The respective Departmental Representative - Departments in excess of three shall be assigned among the three Representatives - shall accompany and advise the Plant Safety

Engineer during his regular monthly scheduled inspection of the Plant. The Union may designate an Alternate to participate, if available, in the absence of any such Representative. These Departmental Representatives may also accompany the Company's Central Safety Engineer on an inspection trip during his periodic visit to the Plant. If at work, the designated Union member of the Committee, or his Alternate in absence of the member, shall be afforded the opportunity to accompany government inspectors, State and Federal.

### PLANT VISITS

If desired, International Union Safety and Health Representatives may visit the Plant, if a particular situation warrants; reasonable notice to, and permission of, the General Manager shall first be obtained. In the event of a fatality of an employee, such permission shall not be unreasonably withheld.

### ACCIDENT INVESTIGATIONS

Management will promptly notify the Union Safety and Health Representative on shift (or in his absence, the Alternate designated for such purpose) of the occurrence of an accident involving substantial injury to Life and Limb. On request to investigate the scene of the accident, permission to do so will not be unreasonably withheld. The Representative or Alternate on shift shall not suffer loss of time due to such investigation.

### PAY ON DAY OF INJURY

An employee injured in an industrial accident who loses time on the day of accident and/or the day following the accident, as a result of obtaining Company directed medical treatment, shall be compensated for such lost time occurring during the

scheduled hours of work on the day(s) such treatment is received.

### **SHOWERING**

The Company may require certain employees to shower immediately before or after the completion of their workday. In such cases, fifteen (15) minutes will be allotted for showering and related activities when required before the end of the workday or if so designated by the Company, where required after the completion of the employee's workday.

## **ARTICLE XIX**

---

### **Miscellaneous Provisions**

#### *Section 1*

**Personal Tools.** Upon proper presentation to the Supervisor, the Company is agreeable to replacement of personal tools broken or worn out in Company service.

#### *Section 2*

**Emergency Lunches.** When an employee works emergency overtime consecutive with his regular work shift, the Company will provide a lunch approximately two (2) hours after the beginning of the overtime period. When an employee works on call-out, the Company will provide a lunch approximately four (4) hours after the beginning of such call-out period. An employee "doubling", that is, working an additional eight (8) hours work shift consecutive with his regular work shift, who makes request prior to or at the beginning of the second shift will be provided an additional lunch during the second shift.

In the event an employee elects to waive his emergency lunch,

he will receive \$10.00 additional compensation.

### ***Section 3***

**Performance of Work by Supervisors.** No supervisory employee shall perform duties in occupational classifications covered by this Agreement except (1) to instruct or assist an employee; (2) in an emergency; (3) to insure continuity of operations when qualified employees are not available.

### ***Section 4***

The Company will supply its employees and the Union with printed copies of this Agreement.

### ***Section 5***

**Jury Duty.** Employees subpoenaed for jury duty shall receive the straight time pay they would have received when such jury duty falls on their regularly scheduled workdays. This provision shall be interpreted to include an employee who is summoned for jury duty whether or not the employee actually serves on a jury.

### ***Section 6***

An employee required to attend encampment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between his Government pay (excluding travel, subsistence or quarters allowances, if any) for a period not to exceed two weeks in any calendar year and the amount of straight time pay, based on eight (8) hours per day - forty (40) hours per week, he would have received had he worked instead of attending encampment. The straight time pay calculations shall exclude cost-of-living allowances, but shall include pay for any holiday (covered by the Collective Bargaining Agreement applicable to the employee) which is observed during the period of encampment for which the

military encampment allowance is calculated. If the encampment exceeds two (2) weeks in any calendar year, only the first two (2) weeks the employee would have worked but for the encampment shall be considered for the purpose of calculating the allowance.

### ***Section 7***

Prior to the implementation of a major technological change in equipment (not just larger, or improved, or modified equipment) which may reasonably be expected to result in substantial impact on job assignments, the Company will notify the Union that such technological change will occur and identify the job classifications that may be affected.

## **ARTICLE XX**

---

### **Health – Welfare, Vision Care, Prescription Drug, Dental, Life Insurance and FSA**

The Company will provide Health-Welfare, Vision Care, Prescription Drug, Dental, Life Insurance and Flexible Spending Account as shown in this Article which includes revisions in the Plans in accordance with the Memorandum of Settlement dated June 30, 2001. These Plans of benefits will continue in effect until June 30, 2004. However, the benefits provided under "A" and "C" of this Article will be discontinued or reduced to the extent that like benefits are provided under Federal or State Law for which the Company and/or employee may be taxed. Benefits provided under "A" and "C" of this Article shall not be paid if the disease, sickness or injury is compensable under any Workers' Compensation Law or occupational disease law (except Weekly Sickness and Accident Benefits as specified), or for any injury arising out of or during the course of any employment for wage or profit. For details, refer to the Summary Plan Description(s).

## A. HEALTH AND WELFARE BENEFITS

Subject to rules and regulations of the Plan not in conflict with this Agreement between the Company and the Union, the benefits shall be provided as outlined below.

1. Accidental Death or Dismemberment Benefits (For Employees Only). Death or *dismemberment* by accidental means due to non-occupational causes, will provide:
  - a. \$29,500 for loss of life.
  - b. \$14,750 for loss of 1 hand or 1 foot or the sight of 1 eye.
  - c. \$29,500 for loss of 2 or more such members.
2. Weekly Sickness and Accident Benefits (For Employees Only).
  - a. \$220.00 per week (\$230.00 per week effective 1/1/2002, \$240 per week effective 1/1/2003, \$250 per week effective 1/1/2004) for 52 weeks for absences caused by non-occupational accidents or sickness; benefits to start the 1st day in case of accidents or hospitalized sickness or outpatient surgery and 6th day in case of unhospitalized sickness.
  - b. Worker's Compensation Supplement

For any week that temporary and total disability benefits are payable under State Worker's Compensation law, such payments shall be supplemented by an amount equal to the difference (if any) between such weekly payment and the Non-Occupational Weekly Sickness and Accident Benefit, provided that the Company



recognizes the disability causing the absence to be work incurred and the disability commenced on or after January 1, 1981. There is no change in the terms or conditions of the Non-Occupational Weekly Sickness and Accident Benefit Plan, including the duration of such benefits, except to provide a Worker's Compensation Supplement.

- c. Benefits will terminate at commencement of benefit payments under the Pension or Permanent and Total Disability Benefit Plans.

### 3. Preferred Provider Network

The Company has contracted with a Preferred Provider Organization to provide a network of health care providers to Asarco Employees. Employees will retain the option of continuing to secure care on a fee-for-service basis or utilizing the Network. For in-network Medical Expenses, the employee Co-Payment shall be 5%. For out-of-network expenses the employee Co-payment will be 20%. In all other respects, in-Network coverage will be identical to fee-for-service coverage.

### 4. Managed Care

The Company has contracted with a Managed Care Organization to implement a pre-certification and utilization review program. This program includes the following:

Pre-Certification for all In-Patient Courses of Treatment;

Continuing Stay Review for all Confinements;  
and

Case Management including alternative setting reviews and Discharge Planning.

Employees securing In-Patient care on a fee-for-service basis (outside of Network) will be required to contact the Managed Care Organization prior to admission. Claims for In-Patient treatment submitted by employees who have failed to contact the Managed Care Organization will be subject to a per confinement deductible of \$250. Employees obtaining In-Patient care from Network providers need not contact the Managed Care Organization. This program shall include an appeals procedure.

5. Comprehensive Plan

Effective January 1, 2002, all plan participants will be covered by the Comprehensive Plan with the following features:

Design	Comprehensive
Deductibles	\$200 per individual/\$400 per family
Co-payments	95%/5% (in-network) 80%/20% (out-of-network)
Annual Stop Loss	\$2,000 aggregate
Lifetime Maximum	\$1,000,000
Contributions	\$5/month Employee \$10/month Employee + one dependent \$15/month Employee + family

If network services are not available within a reasonable distance from the employee's home, out of network services will be reimbursed at the in-

network level. (For example, the distance from Kearny or Hayden to Tucson, Phoenix or Globe would be considered a reasonable distance.)

Enrollment shall be on an annual basis. However, changes in family status during an enrollment year shall be accommodated with proper notification and documentation. Changes must be submitted within 31 days of the qualifying event. Active full-time employees who elect to opt out of coverage will receive \$25 per month. An employee's decision to opt out is subject to proof of alternative coverage.

Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

All benefits shall be payable on a usual and customary fee basis subject to the annual deductible and co-payment.

#### Definition of Usual and Customary Fees:

- a. Usual — The "usual" fee that is charged for a given service, by an individual physician to the majority of his private patients.
- b. Customary — A fee is "customary" when it is within the range of usual fees charged by physicians of similar training and experience, for the same service within the same specific and limited geographical area (socioeconomic area of a metropolitan area of a county).
- c. Reasonable — A fee is "reasonable" when it meets the above two criteria, or in the opinion of the responsible medical association's review committee, is justifiable, considering the special circumstances of the particular case in question.

## 6. Preventive Care

Preventive care will be offered under the current Health Plan and shall include the following services, without having to pay a deductible. Benefits are paid according to a schedule. Coverage is as follows:

### Benefit Schedule:

Physical Examinations: \$150

Frequency of exams is based on age. People who are:

Age 61 and over are covered for an annual exam.

Between ages 41 and 60 are covered for an exam every two years.

Between ages 31 and 40 are covered for an exam every three years.

Age 30 and below are covered for an exam every four years.

Screening Exams - One Pap test annually: \$ 30

Sigmoidoscopy: \$225

Once every three years for people age 50 and over.

Mammogram: \$135

Annual for women age 50 and over and one mammogram every other year for women age 35 and over with a first degree relative with breast cancer.

## Well Baby Care:

Birth (in the hospital after birth)	\$90
2, 4, 6, or 8 weeks (per visit)	\$80
4, 6, 9, 12, 15, 18 and 24 months (per visit)	\$80

Immunizations: The plan pays scheduled benefits for immunizations as part of well-baby care for infants (EMMR, DPT, Oral Polio, etc.).

## 7. Plan Benefits

- a. Expenses incurred for kidney dialysis provided at home or in a kidney dialysis unit which is not connected with a hospital will be covered to the same extent such services would be covered if the procedure was provided in a hospital.
- b. Expenses incurred for extraction of impacted teeth in the out-patient department of a hospital will be covered to the same extent such services would be covered if the extraction was performed as a hospital in-patient.
- c. Expenses incurred for surgery performed in an ambulatory surgical facility will be covered to the same extent such services would be covered if the surgery was performed as an in-patient in a hospital.

An ambulatory surgical facility is described as a legally constituted and operated ambulatory care health center (either part of a hospital or otherwise) with permanent plant, equipment and supplies not usually available in a physician's

office for surgical or medical care not requiring in-patient confinement.

- d. Temporomandibular Joint Dysfunction (TMJ) services will be covered at 80%. Services provided by an in-network physician will be covered at 95%.
- e. Skilled Nursing Coverage will be provided in a Skilled Nursing Facility. Details of this benefit are included in the Summary Plan Description.
- f. Benefits shall be provided for sterilizations, abortions and transplant procedures, including donor expenses not covered by other plans.

## 8. Limitations

### a. Alcoholism and Drug Addiction

Benefits under any provision of the Plan for treatments received in an accredited treatment center for alcoholism or drug addiction will be limited to two confinements of not more than 30 days each, unless the course of treatment requires additional days (to a maximum of 15 additional days) during a covered individual's lifetime.

### b. Chiropractors

#### Covered Visits

- 1. Initial consultation.
- 2. Maximum of 18 visits in any calendar year (excluding initial consultation).

### X-Rays

Limited to three x-rays in any 90-day period.

#### c. Psychiatric Treatments

### Non-Hospitalized

Benefits paid on behalf of any covered individual under all provisions of the Plan shall be reimbursed on a 60%/40% Co-Payment basis.

### Hospitalized

Benefits paid under any provision of the Plan for expenses incurred as the result of confinement in a hospital for psychiatric treatment shall be limited to two confinements of not more than 30 days each during a covered individual's lifetime.

## 9. Pensioners' Coverage

Employees who are under age 65 upon retirement date (early retirees) who retire under the comprehensive plan after January 1, 2002 will continue to be covered under the Plan for "active employees" until the employee qualifies for Medicare. The spouse of an employee who retires will continue to be covered under the Plan for "active employees" until the spouse qualifies for Medicare. Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

The spouse of an active employee who dies and who is eligible for a Spouse's Pension will continue to be covered for benefits under the Plan for "active employees" until the spouse qualifies for Medicare or remarries.

For purposes of qualifying for benefits under this provision, retirement will include employees receiving benefits under the Permanent and Total Disability Benefit Plan and the surviving spouses of such employees.

Coverage for employees retiring under early retirement provisions of the Pension Plan or those qualifying for Permanent and Total Disability Benefits will be extended to dependent children in addition to the employee's spouse. Dependent coverage for early retirees will be limited to existing eligible dependents on the effective date of retirement; and subsequently wed spouses and natural children born of that marriage and grandchildren who become dependents of the retirees as the result of the death of both parents of the grandchildren.

#### 10. Eligibility Requirements

The following eligibility requirements for the Plan of Health and Welfare Benefits shall apply:

- a. New employees shall become eligible on the 91st calendar day following date of their employment.

Coverage for employees and dependents hospitalized or under care for illness or injury on the effective date of coverage shall be extended to comply with the Health Insurance Portability and Accountability Act (HIPAA).

- b. Employees who are sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.



- c. Employees who are sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 36 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave became effective. Employees on leave of absence for Union business shall remain eligible during the first twelve months of such leave of absence. If such leave of absence is extended by the Company such employees may continue to be eligible, provided they pay the full cost of such coverage.
- e. In the event an employee is discharged by the Company and there is a dispute as to whether or not the discharge was justified, the Company shall continue the benefits under the Plan for such employee until the case is finally resolved, but not exceeding 90 days.
- f. In the event an employee stops work due to a strike, all benefits under the Plan, other than Weekly Sickness and Accident Benefits, shall continue for the duration of such strike, provided the employee shall pay the required premium during the strike. During the strike, Weekly Sickness and Accident Benefits shall not be continued but benefits thereunder will be payable if total disability commenced prior to the strike.
- g. The provisions of paragraphs a, b and c above, shall not apply in any case where this Agreement contains a specific provision covering the matter

which is more favorable to the employee.

## 11. General Provisions

### a. Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Plan is as follows:

The employee's spouse and the following categories of unmarried children less than 19 year of age, provided such individuals are not employed by Asarco:

Category A — The employee's natural children.

Category B — The employee's legally adopted children (including a child living with the adopting parents during the period of probation) and those for whom the employee is legal guardian. All cases must be submitted to the Corporate office for approval.

Category C — Stepchildren (i.e., the natural children of the employee's spouse) residing in the employee's household and supported solely by the employee. All cases must be submitted to the Corporate office for approval.

Category D — Children for whom coverage is required under a Qualified Medical Child Support Order (QMCSO). All cases must be submitted to the Corporate office for approval.

The Plan shall also include employee's children 19 years of age or more but less than 25 years of age provided such child is unmarried, dependent upon the employee for support and maintenance

and is attending an accredited school or university on a full-time basis. The employee must provide supporting documentation semi-annually.

Children in the above categories who are totally disabled are covered under the Plan, regardless of age, for as long as they are dependent upon the employee for support and maintenance provided they became totally disabled prior to age 19 and were eligible for coverage as a dependent child prior to attaining age 19. For purposes of qualifying as disabled, dependent children must be certified by the Asarco Corporate Medical Director, as suffering from an injury or illness which prevents them from living independently from their parents and obtaining gainful employment. Coverage for disabled children will continue until both parents qualify for Medicare or otherwise lose coverage through the Asarco Health Plan.

Persons, other than those described in the foregoing, are not included as dependents. Changes must be submitted to the unit Human Resources office within 31 days of the qualifying event.

b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Health Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance plan or group pre-payment plan.

In the event a covered dependent under the

Asarco Health Plan is, shall become, covered, or eligible for coverage, under any group insurance or prepayment plan, benefits under the Asarco Health Plan shall be secondary to the benefits provided or available under such other plan and aggregate benefits that would have been payable under both plans may not exceed benefits that would have been payable under the Asarco Health Plan.

This provision does not apply to benefits payable for the account of active employees eligible for Medicare when such active employees elect the Asarco Health Plan as primary payer of medical benefits for themselves including their covered dependents.

Expenses and benefits which are recovered by legal action or settlement are not covered under any provision of the Asarco Health Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Health Plan which is recovered by legal action or settlement.

Employees are required to notify Asarco promptly of the fact of such legal action, and of a judgment or settlement in favor of the employee (or covered dependent) and make available all information relevant to the administration of any provision of the Plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of

funds released as a result of reduction of Asarco Health Plan benefits.

c. Benefit Booklets.

Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefit provided under the Plan will cease on the date that the employee leaves the service of the Company, except that benefits will be paid in connection with claims which were incurred prior to such date.

d. Audit of Hospitals Bills

Employees will be paid one-third (1/3) of any savings which results from their discovery and report of hospital billing errors with a \$250.00 maximum payment to the employee per confinement.

The only exceptions to this audit feature are bills for care received at a participating Preferred Provider hospital. Due to the discounted fee arrangement at Preferred Provider hospitals, employees will be unable to audit bills received from such providers.

## B. VISION CARE

Employees, early retirees and their eligible dependents shall be covered under the Asarco Health Plan. Details of the Vision Care Benefits are included in the Summary Plan Description, a copy of which is provided to each employee.

Effective January 1, 2002, reimbursement for lenses under the Vision Care coverage will be increased \$25 in total for

each two-year period under the plan.

### C. PRESCRIPTION DRUG CARD PLAN

Employees and early retirees who desire prescription drug coverage for themselves and/or their dependents shall have the option of participating in the Prescription Drug Program or to opt out. There will be an annual enrollment period during which employees will be given the opportunity to enroll in the Prescription Drug Card Program. If employees choose to opt out of the Drug Card Program, prescription drugs will not be recognized under the Health Plan, except for drugs which are dispensed in the hospital, while the plan participant or dependent is receiving emergency or in-patient treatment.

Employees and early retirees who enroll in the Prescription Drug Card Plan are subject to the following monthly contributions:

\$ 3/month per single employee

\$ 7/month per employee with one dependent

\$11/month per employee and family

Enrollment shall be on an annual basis. Changes in family status during the enrollment year shall be accommodated. Changes must be submitted within 31 days of the qualifying event.

Brand Name prescriptions filled at a participating retail pharmacy will be covered at 80%. Generic prescriptions filled at a participating pharmacy will be covered at 90%. Mail order prescriptions (maintenance drugs) will be paid at 100%. No deductibles or medical forms to file. In all other respects, the terms of the Prescription Drug Card Program shall remain unchanged.

## D. DENTAL BENEFITS

Subject to rules and regulations of the Plan, the benefits shall be provided for active full-time employees and their eligible dependents as outlined below.

### 1. Usual and Customary Fee Coverage

The Plan shall provide benefits on a usual and customary fee basis as follows:

- a. 100% of usual and customary charges for preventive services such as oral examinations, teeth cleaning and space maintainers for children under 19 years of age.
- b. 85% of usual and customary charges for most other dental procedures.
- c. 50% of usual and customary charges for bridgework and dentures.
- d. 50% of usual and customary charges for orthodontic diagnosis and treatment for children under 19 years of age (maximum lifetime benefit of \$650.00 per individual).
- e. The maximum benefit for expenses incurred during any calendar year under "a", "b" and "c" above shall be \$1,000 per individual.
- f. A deductible of \$15 per covered individual will be applied each calendar year.

### 2. Definition of Usual and Customary Fees

- a. Usual — The "usual" fee is that fee which the individual dentist or physician most frequently charges the majority of his private patients for a

given service rendered or supply furnished.

- b. **Customary** — A fee is "customary" when it is within the prevailing range of fees charged by dentists or physicians of similar training and experience, for the same service rendered or supply furnished within the same area (metropolitan area, county or such greater area as is necessary to obtain a representative cross-section of dentists' or physicians' fees).
- c. **Reasonable** — A fee is "reasonable" when it meets the above two criteria or is justifiable, taking into consideration unusual circumstances or complications requiring additional time, skill and experience in connection with particular dental service or procedure in question.

### 3. Eligibility Requirements

The following eligibility requirements for the Dental Plan shall apply:

- a. New employees shall become eligible on the day following the completion of one year of Company service.
- b. Employees who become sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding six months.
- c. Employees who become sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- d. Employees on layoff or leave of absence shall



remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave of absence became effective. Employees on leave of absence for Union business shall remain eligible under the Plan for lesser of the duration of such leave or 12 months.

#### 4. General Provisions

##### a. Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Dental Plan is the same as the Health Plan.

##### b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Dental Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance or group pre-payment plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Dental Plan benefits.

Dental expenses which are recovered by legal action or settlement are not covered under any provision of the Asarco Dental Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Dental Plan which are recovered by legal action or settlement.

- c. Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefits provided under the Plan will cease on the date that the employee retires, dies, or otherwise terminates active employment with the Company.

## E. LIFE INSURANCE BENEFITS

Subject to rules and regulations of the Plan, the benefits shall be provided as outlined below.

### 1. Active Employees

Effective July, 1, 2001, \$29,500 of coverage shall be provided for each active employee after 91 days of employment.

The Plan shall include the following provisions:

- a. Waiver of premiums in event of disability at any age.
- b. Extended benefits for a period of 31 days.
- c. Conversion rights within 31 days.
- d. Active employees shall be allowed to purchase at cost, supplemental life insurance for themselves and dependent life insurance for their spouses and children. Employees are responsible for payment of these premiums.

### 2. Retired Employees.

Upon retirement under the Company's Retirement Plan, the amount of coverage to be continued without cost to the employee will be \$4,000.

## F. FLEXIBLE SPENDING ACCOUNTS

Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$2400 for uncovered medical, vision and dental expenses, with a minimum contributed of \$240 required. Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$4,800 for dependent care, with a minimum contribution of \$480. For detailed information concerning Flexible Spending Accounts refer to the Summary Plan Description.

## G. COSTS

During the term of this Agreement ending June 30, 2004, the Company will pay the cost of all benefits outlined in this Article, including any increase required for such benefits (with the exception of all monthly contributions, deductibles, co-pays and supplemental/dependent life insurance contributions as described in this Article).

# ARTICLE XXI

---

## Security and Severance Plan

The Security and Severance Plan will be in accordance with the following outline of provisions, subject to the detailed Plan.

**FORMULA:** 1% of Average Annual Earnings times Years of Service, plus \$30.00 times Years of Service. (Annual Earnings: Straight time hourly earnings, which shall exclude all pay premiums of whatever nature, for the twelve consecutive calendar months immediately preceding date of layoff, retirement, or death, divided by the straight time hours worked, multiplied by 2,080 hours.) Security and Severance

Plan benefit calculations shall not be reduced by any wage reductions negotiated.

Hires, or rehires, on or after July 1, 1983, shall be limited to a \$7,500 maximum (lifetime) amount accrued by Formula.

**ELIGIBLE:** All employees upon completion of Two (2) Years Service (All "Years Service" shall be based on the Plant's Seniority List).

**PAYMENTS:** Laid-off Employees (for lack of work only):

After 14 calendar days on lay-off, \$75/week until either:

- (a) Employee is recalled.
- (b) Exhaustion of his amount accrued by Formula.  
In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to eligible employees during weeks for which the employee receives State Unemployment Compensation benefits.
- (c) 52 weeks

whichever first occurs.

In the event of (c) and an amount accrued remains, the employee shall have the option of: the remaining amount continuing on accrual; or receiving the remaining amount accrued in a lump sum payment.

Payments shall be made without regard to:

- (1) Any other benefit or payment received by the employee.

- (2) His employment status except as covered in (a) above.

An employee laid off, recalled before (b) occurs, and subsequently laid off shall have an accrued amount based on total years of service (figured to nearest complete calendar quarter) less total deducted payment received.

**Pensioned Employees:** At date of retirement under Company's Retirement Plan, or on the date of his established eligibility for benefits under the Company's Plan of Permanent and Total Disability Benefits, the employee shall have the amount accrued by formula less total payment received if any. Retirement payments shall reflect only laid off benefit payments deducted.

**Death of an Employee:** Upon the death of an employee, his designated beneficiary shall receive an amount determined by formula based on the employee's status at date of death. Death payments shall reflect only laid off benefit payments paid.

Employees separated for any reason other than layoff, retirement, permanent and total disability, or death shall not receive any payments.

All payments provided hereunder shall be subject to statutory deductions or withholdings.

## **ARTICLE XXII**

---

### **401(k) PLAN**

All employees who have completed one month of service shall be eligible to participate in the 401(k) Savings Plan. The maximum allowable employee contribution shall be 19% of earnings, subject to the allowable maximum permitted by

federal law and discrimination testing requirements to which the plan is subject. The Company will match 50% of the employees' contributions, up to the first 6%. Company matching contributions for participants who attain age 64 shall be transferable.

Employees should refer to the Summary Plan Description for details of the 401(k) Plan. The provisions of the Plan will not be subject to the grievance and arbitration provisions of the collective bargaining agreement.

All loan origination fees and loan service charges (\$30 and \$10; respectively), as set by the Fund Managers (Vanguard), shall be the responsibility of the employee requesting the loan. If the amount of such fees increase, such increases shall not be passed on to the employee during the period of the contract.

## **ARTICLE XXIII**

---

### **Duration, Termination, Separability**

#### ***Section 1***

This Agreement shall become effective July 1, 2001, and remains in full force and effect through June 30, 2004, and from year to year thereafter unless either party shall elect to modify or terminate it by giving written notice to the other sixty (60) days, but not more than ninety (90) days prior to the expiration of this Agreement. During the term of this Agreement, the parties specifically waive all rights to request bargaining with respect to rates of pay, wages, hours of work, or any other terms or conditions of employment, except as otherwise provided in Article X, Section 1 (B) of this Agreement.

## *Section 2*

If any provisions of this Contract shall be in conflict with or in violation of any applicable State or Federal Law, such provision shall be inoperative and of no effect, but shall not affect the remaining provisions hereof.

IN WITNESS WHEREOF, said parties have caused this Agreement to be executed in their names by their duly authorized representatives this 1st Day of July 2001.

INTERNATIONAL UNION OF OPERATING  
ENGINEERS LOCAL 428, AFL-CIO

/s/ Mark Mitchel  
/s/ R. Frank Cissne  
/s/ Charles V. Veazey  
/s/ Henry J. Montano  
/s/ Gary R. Byers  
/s/ Fred J. Ambrose

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS LOCAL 570, AFL-CIO

/s/ William H. Turner  
/s/ Ray C. Dreggors  
/s/ Thomas S. Gordan

UNITED STEELWORKERS OF AMERICA  
LOCAL 937, AFL-CIO

/s/ Leo W. Gerard

/s/ Andrew V. Palm  
/s/ James D. English  
/s/ Leon Lynch  
/s/ Terry L. Bonds  
/s/ Carl N. Morris  
/s/ Manny Armenta  
/s/ William S. Hogan  
/s/ Phillip S. Garcia

INTERNATIONAL BROTHERHOOD OF  
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN,  
AND HELPERS OF AMERICA, LOCAL 104, AFL-CIO

/s/ Rodney D. Wilson  
/s/ Gene C. Koller  
/s/ Brian A. Jacobsen

ASARCO INCORPORATED MISSION COMPLEX

/s/ John D. Low  
General Manager  
/s/ James F. Coxon  
Human Resources Manager



## EXHIBIT A

Current hourly wage rates will be increased \$.50 across the board effective either (1) the beginning of the first payroll period after which the average COMEX price of copper is \$1.00 per pound for more for thirty (30) consecutive days; or (2) July 1, 2002, whichever comes first. Hourly wage rates will be increased an additional \$.50 across the board effective July 1, 2003.

JOB TITLEWAGE RATE PER HOUR4/2001 7/1/02 7/1/03

Electrical Tech ..... 19.406 19.906 20.406

Shovel Operator, Diesel Mechanic Leadman, Machinist Leadman, Electrician  
Leadman, Instrument Leadman, Conveyor Technician A, Mill Tech, Mine Tech ..... 19.231 19.731 20.231

Mechanic 1st Class, Machinist 1st Class, Electrician 1st Class,  
Instrumentman 1st Class, Shovel Repair Leadman, Mill Repair Leadman,  
Weldor Leadman, Plant Repair Leadman, Tire Shop Leadman, Miner ..... 18.906 19.406 19.906

## EXHIBIT A (Continued)

<u>JOB TITLE</u>	<u>WAGE RATE PER HOUR</u>		
	<u>4/2001</u>	<u>7/1/02</u>	<u>7/1/03</u>
Tireman, Shovel Repairman 1st Class, Mill Repairman 1st Class, Repairman A, Welder 1st Class, Plant Repairman 1st Class, Pit Production-Front-End Loader Operator .....	18.585	19.085	19.585
Truck Driver Instructor, Scraper Operator, Rotary Drill Operator, Equipment Operator (includes Mobile Crane, Batch Plant, Backhoe, 2-3/4 Yd. Front-End Loader, and Dozer), Lube Leadman, Clean-Up Loader Operator, Powder Crew Leadman .....	18.264	18.764	19.264
Motor Grader Operator, Dozer Operator, Operator(Underground), Conveyor Technician B .....	17.944	18.444	18.944
Heavy Truck Driver, Highway Truck Driver, Reagent Operator, Crusherman, By-Products Flotationman, Flotationman, Rod and Ball Mill Man, Filterman, Tailing Dam Operator, Operator A .....	17.603	18.103	18.603

## EXHIBIT A (Continued)

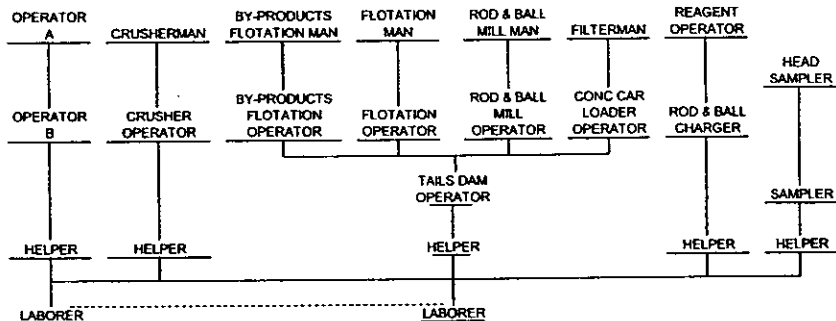
JOB TITLE	WAGE RATE PER HOUR		
	<u>4/2001</u>	<u>7/1/02</u>	<u>7/1/03</u>
Water Truck Driver, Field Lubeman, Mechanic 2nd Class, Machinist 2nd Class, Shovel Repairman 2nd Class, Mill Repairman 2nd Class, Weldor 2nd Class, Plant Repairman 2nd Class, Head Sampler, Electrician 2nd Class, Repairman B, Conveyor Technician C .....	17.282	17.782	18.282
Travel Drill Operator, Lubeman, Crusher Operator, Rod & Ball Mill Operator, Concentrate Car Loader Operator, Shovel Oiler "B", Rod & Ball Charger, By-Products Flotation Operator, Flotation Operator, Pit Utility Man, Operator B .....	16.961	17.461	17.961
Powderman, Town Truck Driver, Warehouse Counterman, Sampler .....	16.672	17.172	17.672
<u>Employees Hired Before 5/22/95</u>			
Powder Truck Driver, Shovel Oiler "A", Light Equipment Operator, Light Truck Driver, Helper .....	16.352	16.852	17.352

## EXHIBIT A (Continued)

JOB TITLE	WAGE RATE PER HOUR		
	<u>4/2001</u>	<u>7/1/02</u>	<u>7/1/03</u>
Laborer .....	15.852	16.352	16.852
<u>Employees Hired On or After 5/22/95</u>			
Powder Truck Driver, Shovel Oiler "A", Light Equipment Operator, Light Truck Driver, Helper .....	15.428	15.928	16.428
Laborer .....	14.595	15.095	15.595

The Hiring Rate for Laborer Classification at the respective plants/ units shall be \$2.00 per hour less than the contract Laborer Rate for the first 1,040 hours worked and \$1.00 per hour less than the contract Laborer Rate for the next 1,040 hours worked by persons hired on or after July 1, 1983. However, such employees shall be paid at the contract rate applicable to the work performed in higher rated classifications during this 2,080 hour period.

# Lines of Promotion Concentrator Department

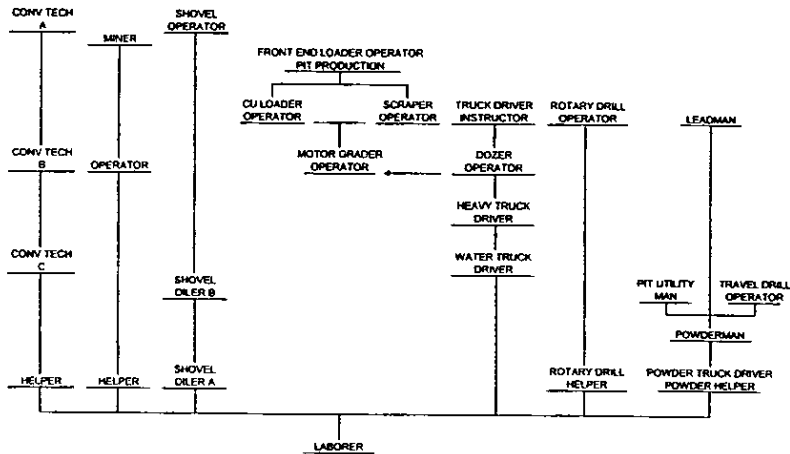


NOTE 1: LATERAL BIDDING IN THE MILL (BY-PRODUCTS, FLOTATION, GRINDING, FILTER) IS PERMITTED ONCE DURING THE LIFE OF THE CONTRACT TO THE SENIOR QUALIFIED APPLICANT.

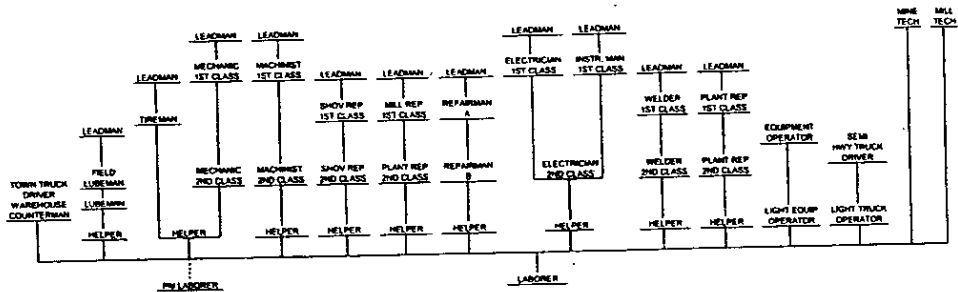
NOTE 2: FOR PERMANENT VACANCIES ONLY, BIDDING INTO ANOTHER LINE OF PROGRESSION WITHIN THE DEPARTMENT IS PERMITTED ONCE DURING THE LIFE OF THE CONTRACT AT THE HELPER LEVEL. TEMPORARY HELPER POSITIONS, INCLUDING THOSE OF FORTY-FIVE (45) DAYS OR LONGER, WILL BE FILLED BY THE SENIOR QUALIFIED EMPLOYEE FROM THE LABORER'S CLASSIFICATION.

# EXHIBIT B Map (Con'T)

## Lines of Promotion Mining Department



# Lines of Promotion Mechanical Department



## EXHIBIT B MAP (CON'T)

# EXHIBIT C

## TRANSFER RIGHTS PROGRAM

### Section 1

- A. Any employee of an existing organized plant of ASARCO Incorporated located in the States of Arizona or Texas, hereinafter "home plant", who is either permanently laid off on or after the date established by the Company for the commencement of a permanent plant shutdown and is not eligible for an immediate pension, or has otherwise been indefinitely laid off for a period of six months or more, and who at the time of the layoff, either permanent or otherwise, has attained 3 years or more of service with the Company, shall be given priority over other applicants (new hires) for job vacancies (other than temporary vacancies) at any other existing organized plant (acquiring plant) of Asarco Incorporated located in the states referenced above, provided the employee:
1. Is qualified to perform the job (ability and both mental and physical fitness), and
  2. Successfully passes a medical examination, to the satisfaction of the Company. (The requirement to successfully pass a medical examination shall be limited to those employees who have been on layoff for period of six months or more). Such medical examination may be taken at the employee's home plant. An employee who fails the medical examination and who later passes such examination to the satisfaction of the Company shall be reinstated for consideration for transfer, provided he still retains recall rights



and is otherwise eligible for transfer under this program.

The job vacancies for which employees shall be eligible under this provision shall be only those that are not filled from the particular plant in accordance with the seniority provisions of the Labor Agreement thereat, and in those classifications represented by the Union.

- B. Any such employee hired at an acquiring plant in a maintenance classification above Helper shall be subject to a probationary period of 30 working days. In the event such employee is disqualified, he shall be terminated at the acquiring plant and returned to the recall list at his home plant, provided that recall rights have not otherwise expired. In the event the employee is laid off from the acquiring plant within twelve months of his date of entry thereat, he shall be returned to the recall list of his home plant, provided that recall rights have not expired. If the employee is laid off from the acquiring plant more than twelve months after his date of entry thereat, he shall have recall rights only at that plant and shall forfeit any recall rights he may have had at his home plant. Further, if after the probationary period has expired, the employee is discharged for cause, his recall rights at the home plant shall be similarly forfeited. If an employee hired at an acquiring plant, upon being offered recall at his home plant, elects to return to his home plant according to his seniority, he shall be deemed a quit at the acquiring plant and shall be entitled to no further preferential hiring rights under this program.

- C. An employee shall be given such priority only if he files with the management of the shutdown or home

plant a written request for such employment, in accordance with the procedure established by the Company, specifying the other plant or plants at which he would accept employment.

- D. Job vacancies covered under this program shall be offered to qualified applicants on the basis of company wide service. Seniority at the acquiring plant shall accrue beginning on the employee's date of entry at that plant. Company wide service acquired prior to the employee's date of entry at the acquiring plant shall not be recognized thereat for seniority purposes.
- E. An employee laid off who is offered and who accepts a job at another Asarco property in accordance with the foregoing provisions will report for work there within one month from notification of job availability. The Company has the right to fill such vacancy until the transferee reports for work.
- F. If an employee has been laid off for 18 months\*, or if he rejects a job offered to him under these provisions, or if he does not respond within the time required by this Section to such offer directed to his last place of residence as shown on the written request referred to in paragraph (C) above, his name shall be removed from those eligible for priority hereunder.

\*However, for purposes of this program, the 18 month period for employees laid off from Silver Bell and El Paso prior to July 1, 1989, shall commence on July 1, 1989.

## Section 2

Employees transferred hereunder shall be treated as follows for the purpose of administering the Benefits specified below. In all other respects the various Benefit Plans in effect at the acquiring plant shall remain unchanged, and in no event, shall there be any duplication of Continuous Service credit or Benefit Accrual or coverage as a result of the application of any provision of this Agreement.

- A. Waiting periods in effect at the acquiring plant for eligibility purposes only, shall be waived in respect to the following:

Death Benefit

Accidental Death or Dismemberment Benefit

Weekly Sickness and Accident Benefit

Hospital-Medical-Surgical Benefit

Dental Benefit

Vision Care Benefit

- B. Pension Plan and Permanent and Total Disability Benefit Plan

1. Pension Plan

- a. Continuous Service: Continuous Service accrued at the shut-down or home plant shall be counted toward meeting the service requirements for vesting and eligibility under the provisions of the Plan in effect at the acquiring plant.

- b. Accrual of Benefits: Accrual of Pension Benefits

subsequent to date of transfer shall be based on Continuous Service after such date and the terms and conditions, including but not limited to benefit levels, of the Plan in effect at the acquiring plant. Accrual of Pension Benefits for continuous service at the shutdown or home plant shall be determined for Plan participants in accordance with the benefit levels and other terms and conditions of the Plan in effect at the shutdown or home plant at the time of transfer.

2. Permanent and Total Disability Benefit Plan

Continuous Service accrued at the shutdown or home plant shall be counted toward meeting the service requirement of the Permanent and Total Disability Plan at the acquiring plant. To determine the "unreduced benefit", that is, the amount produced by application of the appropriate Pension Plan formulae and limiting provisions, the provisions of paragraph 1(a) and (b) above shall apply.

C. Security and Severance Plan

Where such Plan is in effect at the acquiring plant:

1. The waiting period for eligibility shall be waived.
2. Service at the acquiring plant shall be based upon service on and after date of transfer and Benefits attributable to such service will accrue in accordance with the Benefit formula and subject to the terms and conditions of the Plan at the acquiring plant, including but not limited to those applicable to LAID-OFF PAYMENTS.
3. The accrued amount under the Plan in effect at the shut-down or home plant and attributable to service

thereat, less deductible payments therefrom, shall be determined and carried over as a "credit" subject to being paid out in accordance with the provisions of the Plan at the acquiring plant.

#### D. Vacation Policy

For the purpose of Vacation Policy administration:

1. The eligibility and qualification requirements and benefit levels of the acquiring plant apply; however, prior service at the shutdown or home plant shall be allowed for determining continuous service requirements.
2. Vacation Bonus entitlement, if such exists at the acquiring plant, shall be similarly applied.

It is understood and agreed that, where the bargaining unit of the acquiring plant to which an employee is transferred under this Agreement is represented by a labor organization not signatory to this Agreement, the special treatment described in paragraphs A through D above as applicable to benefits at such acquiring plant shall not be made effective unless and until the concurrence of the duly designated representative is obtained.

#### Section 3

- A. The Company will maintain separate listings of applicants from each shutdown or home plant who have filed a written request with management under Section 1, (C). The Company will provide a list of these applicants for transfer to the individual designated by the local union(s), in writing, at the respective shutdown or home plants and to the respective Industrial Relations Manager and individual designated by the local union(s), in writing, at

the plants that are in a hiring mode. The Company will further provide written notice to the individual designated by the local union(s), in writing, of the acquiring plant, or his designee, of the occurrence of any vacancy being filled under this program. The Company will further notify, by certified mail, employees who are not considered qualified.

- B. The right to file a grievance under this program shall be limited to the qualified employee with the greatest Company service denied the right to transfer to a particular vacancy, except that disqualification of such employee for medical reasons shall not be a proper subject for the grievance and arbitration procedure. Said grievance must be filed within 20 days of the date on which the Company notifies the individual designated by the local union(s) that the vacancy in question was filled. Said grievance must be filed at the acquiring plant in the last step of the grievance and arbitration procedure.
- C. The operation of this Transfer Rights Program will be subject to periodic review by a representative or representatives appointed by the Company and the Union, respectively, in equal numbers, who shall meet as necessary to review the operation of this Transfer Rights Program. The Company shall supply to these representatives pertinent information relating to the operation of this Transfer Rights Program. The function of these representatives is to review any problems that arise as the result of the administration of this Transfer Rights Program and to make recommendations to the parties for the solution of such problems.
- D. If any eligible laid-off employee or the Union requests information concerning job opportunities, expected hiring dates and pre-employment requirements at another plant covered by this Agreement, the plant will promptly

communicate with such other plant and, upon receipt of reply, pass on this information to such laid-off employee and the Union, if not viewed as privileged or confidential by the Company. This will not guarantee employment because employment needs are not precisely predictable, nor will it create any obligation on the part of either plant, but is a service which should be beneficial to a laid-off employee genuinely seeking other employment within the Company.

#### Section 4

The transfer rights under this program are subject to applicable law and other contractual or legal requirements that are, or become, binding upon the Company.

#### Section 5

This Transfer Rights Program shall be effective July 1, 1989.

Notwithstanding anything to the contrary in this Labor Agreement or the Transfer Rights Program, any employee who transferred from his "home" plant to an "acquiring" plant shall have a one-time opportunity to return to his home plant to fill an available position. A position is "available" only if no employees remain on layoff from the home plant who would have recall rights to that position and the position otherwise would be filled by a new hire. This opportunity must be exercised during the first thirty-six (36) months after leaving the home plant and is subject to the terms of the Transfer Rights Program except as modified herein. If more than one employee seeks return to the same position, the senior qualified employee will have priority.

K# 2589

**AGREEMENT**

**BETWEEN**

**ASARCO INCORPORATED**

**AMARILLO COPPER REFINERY**

**AND**

**INTERNATIONAL**

**BROTHERHOOD**

**OF**

**ELECTRICAL WORKERS**

**LOCAL 602**

**AMARILLO, TEXAS**

**July 1, 2001 to June 30, 2004**

56 - pages



## CONTRACT INDEX

### Page

Agreement, Purpose of .....	4
Agreement, Tenure of .....	46
Arbitration, Grievance .....	13-16
Assignment, Form .....	6-7
Bargaining Agent .....	4
Bargaining Unit .....	4
Bereavement Pay .....	37-38
Bidding Procedure .....	11-13
Bulletin Boards .....	6
Call-In in Advance of Shift .....	9
Check-off, Payroll Deduction .....	6-7
Collection, Money .....	45
Cost of Living .....	43
Death in Family .....	37-38
Discharge, Employee .....	5, 6, 9-11
Dues, Deduction of .....	6-7
Duration of Agreement .....	46
Employee, Probationary .....	10-11
Employee, Contract Applicable to .....	4
Examination, Physical and Medical .....	45
Grievance, Arbitration of .....	13-16
Grievance, Definition of .....	12-13
Grievance, Procedure .....	12, 14-15
Grievance, Time Limits .....	12, 14-15
Health-Welfare, Vision Care, Prescription Drugs, Dental, Life Insurance, FSA & 401k Benefits .....	21-36
Holiday, During Vacation .....	20
Holiday, Pay and Rules .....	18-19
Holidays .....	18
Hours of Work .....	7-8

Job Assignment .....	8, 16-17
Job Classification .....	48-49
Job Posting .....	11
Job Qualifications .....	10-11
Jury Service .....	37
Lay-Off, Provisions .....	12-13
Lay-Off, Voluntary .....	12-13
Leave of Absence .....	38-39
Managed Care .....	23-24
Management Rights .....	5
Membership Union .....	5-6
Membership, Union Assignment Cards .....	7
Military Duty .....	38
Non-Discrimination Clause .....	6
Notification, Regarding Agreement .....	46
Overtime Provisions .....	7-10
Pay, Call-Outs .....	8
Pay, Holiday Premium .....	18-19
Pay, Reporting .....	7-8
Posting New Jobs or Job Vacancies .....	11
Preferred Provider Network .....	22
Qualifications, Job .....	13
Recall Provisions .....	13
Recognition .....	4
Reduction in Work Force .....	12-13
Safety and Health .....	39-43
Savings Plan (401(k) Plan) .....	36-37
Security and Severance Plan .....	33-45
Seniority, Department .....	10-11
Seniority, General .....	10-13
Seniority, List .....	10
Seniority, Loss of .....	10-11

Seniority, Plant .....	10
Seniority, Probationary Employees .....	11
Separability .....	45
Shift Differentials .....	16-18
Solicitation or Collection of Money .....	45
Solicitation, Membership .....	5
Steward .....	14
Strikes and Lockouts .....	16
Transfer Rights Program .....	50-55
Transfers .....	11
Trial Period, Job Vacancy .....	12
Union Membership, Voluntary .....	5
Union Rights (Activities, Restrictions) .....	5-6
Vacancy, Permanent .....	11
Vacancy, Temporary .....	12
Vacation, Pay and Rules .....	19-21
Wages, Exhibit A .....	48
Wages, General .....	16-18
Wages, Holiday .....	18-19
Wages, Overtime .....	7-10
Wages, Rates .....	48
Wages, Shift Differential .....	16-18
Work by Supervision .....	45
Work Day and Week, Defined .....	7-8
Work Schedule .....	7-10
Work Stoppage .....	16

## **Preamble**

This Agreement, dated April 8, 2002 is by and between ASARCO Incorporated, Amarillo Copper Refinery (hereinafter referred to as "the Company"), and Local Union No. 602 of International Brotherhood of Electrical Workers, AFL-CIO (hereinafter referred to as "the Union").

## **Article I**

### **Purpose**

The purpose of the Company and Union in entering into this Labor Agreement is to set forth their agreement on rates of pay, hours of work and other terms and conditions of employment so as to promote orderly and peaceful relations with the employees to achieve uninterrupted operations in the plant, and to achieve the highest level of employee performance consistent with safety, good health, and sustained effort. The Company and the Union encourage the highest possible degree of friendly cooperative relationships between their respective representatives at all levels and with and between all employees.

## **Article II**

### **Recognition**

Section 1. The Company hereby recognizes the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment for all skilled electricians and apprentices employed in the Amarillo Copper Refinery as certified by the National Labor Relations Board in Case No. 16-RC-7100 and 16-RC-7108 dated May 5, 1976.

Section 2. All other employees, office, clerical, technical, and professional employees, guards and supervisors as defined in the Act are excluded.

### **Article III Management Rights**

**Section 1.** The management, control, and direction of the Plant, business, operations, and employees, and all other managerial rights and functions, are vested solely and exclusively in the Company.

**Section 2.** The rights referred to in Section 1 shall be deemed to include, but shall not be deemed to be limited to, the right to alter, rearrange, change, extend, limit, suspend, curtail, or discontinue operations or any part thereof, to determine the number of employees and the combinations of labor classifications to be assigned, the extent and nature of the work to be performed, the manner of performance and the equipment to be used, to establish working schedules, to prescribe operating safety rules, and to acquire, manage, direct and discipline and discharge for just cause the employees.

**Section 3.** All rights herein set forth or otherwise retained which the Company has not expressly modified or restricted by a specific provision of this Agreement are retained and vested exclusively in the Company, and only a claim that the application of the terms and conditions of this Agreement has been violated by the exercise of these rights shall be subject to the grievance and arbitration procedure.

### **Article IV Union Rights**

**Section 1.** The Company will not interfere with, restrain, or coerce employees because of membership or lawful activity in the Union and agrees that there will be no discrimination because of Union membership.

**Section 2.** The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work or in respect to Union activity or membership.

**Section 3.** The Union agrees that there will be no interference with the work of others nor shall they take time out of their own work activities to solicit or recruit membership in the Union.

**Section 4.** The Company shall provide an enclosed, locked, bulletin board in the Electrical Shop of the Mechanical Department for the posting of Union notices.

Said notices shall be approved by the Company before being posted. The Company shall have the right to remove any matter posted which it deems may improperly involve the Company in any adverse way.

**Section 5.** The Union will furnish the Industrial Relations Manager with a list of all Local Union Officers and their titles. The Union shall notify the Industrial Relations Manager in writing of subsequent changes, and the Company shall recognize such Officers upon receipt of said notification.

## **Article V Non-Discrimination**

**Section 1.** The Company and the Union agree that there shall be no discrimination because of race, color, creed, age, sex, national origin, disability or status as a disabled veteran or veteran of the Vietnam Era.

## **Article VI Check Off**

**Section 1.** It is agreed that an initiation fee (if owed) and monthly dues and assessments (if owed) for each member of the Union in amounts as authorized shall be deducted from the pay of the employee upon written authorization to the Company from each individual employee. This authorization shall be upon a form as set forth in Section 2 below, furnished by the Union and approved by the Company, and all such monies collected in this manner shall be remitted by the Company to the Financial Secretary of Local Union 602 of the International Brotherhood of Electrical Workers, P. O. Box 143, Amarillo, Texas.

### **Section 2. Check-Off Authorization**

**For International Brotherhood of Electrical Workers  
UNION DUES DEDUCTION AUTHORIZATION**

**TO: ASARCO Incorporated.**

I hereby authorize you to deduct from my pay union membership dues and assessments in the amounts fixed in accordance with the by-laws of Local Union No. 602 of the International Brotherhood of Electrical Workers, and the Constitution of the International Brotherhood of Electrical Workers and pay same to the Financial Secretary of Local Union No. 602.

This authorization shall be effective commencing with the month following submission hereof to ASARCO Incorporated by Local Union No. 602 of the International Brotherhood of Electrical Workers, and shall continue in full force and effect for a period of one year from the date hereof or until termination of the agreement between ASARCO Incorporated and Local Union No. 602 of the International Brotherhood of Electrical Workers, whichever occurs sooner, and I agree that this authorization shall be automatically renewed and irrevocable for successive periods of one year unless revoked by written notice to ASARCO Incorporated and Local Union No. 602 of the International Brotherhood of Electrical Workers, thirty days prior to the expiration of each one year period or of each applicable agreement between ASARCO Incorporated and Local Union No. 602 of the International Brotherhood of Electrical Workers, whichever occurs sooner.

Union membership dues and assessments \$\_\_\_\_\_ per month.

Date Signed \_\_\_\_\_ Dept. \_\_\_\_\_ Emp. No. \_\_\_\_\_

**Section 3.** The sole authorized representative of the Union for the purpose of certifying any change in monthly dues, or initiation fees, or any assessments which may be levied, and which are to be deducted by the Company, shall be the Financial Secretary of Local Union 602.

## **Article VII**

### **Work Week and Overtime**

**Section 1.** The regular work week shall commence with the day shift on Monday and end at the commencement of the day shift the following Monday. The work day is a period of twenty-four (24) consecutive hours commencing at

the starting time of a particular employee's work shift. The standard work shift is eight (8) hours and is the number of hours that may be worked in a work day free of time and one-half overtime compensation. However, nothing contained in this Agreement shall be construed as a guarantee of work or of any particular schedule.

**Section 2.** The scheduled work week comprises the assignment by the Company of regular shifts of work to be performed within a work week by an employee. The scheduled work week is established as such from time to time by a notice posted not later than the end of the day shift Thursday prior to the commencement of the work week. An employee required to work on his scheduled day off shall not be required to take off a scheduled shift in that work week to avoid overtime.

**Section 3.** Time and one-half shall be paid for all time worked in excess of eight (8) hours in a work day, or in excess of forty (40) hours in a work week; but there shall be no pyramiding of this overtime pay, both daily and weekly overtime shall not be paid for the same overtime hours worked. Time and one-half for time worked in excess of eight (8) hours in a work day shall not apply when the time in excess of eight (8) is caused by:

1. Shift changes.
2. Relief for swing men's regular assignments requiring them to work two (2) shifts in a twenty-four (24) hour period.

**Section 4.** Any employee called for work between his regular shifts shall be guaranteed a minimum of five (5) hours pay.

**Section 5.** An employee required to begin work in advance of his regularly scheduled starting time shall not be required to lay off that day a corresponding interval in advance of his regularly scheduled finishing time.

**Section 6.** When an employee reports for work on a regular shift, or is instructed to report for work on a special shift, and upon reporting at the scheduled time finds no work available, he shall be paid six (6) hours at his regular rate in lieu thereof, unless that employee is notified at least eight (8) hours prior to the starting time not to report. The foregoing shall not apply where the employer's failure to provide work is occasioned by, or results from:



1. Plant delay, resulting from causes beyond the control of the Company, or
2. When an employee has been absent for one shift or more and said employee fails to notify the departmental supervisor then in charge at least eight (8) hours prior to the commencement of this shift to which the employee intends to return.

**Section 7.** Where practical, overtime work will be distributed as equitably as possible within the Electrical Department, consistent with the efficient conduct of the operation. Distribution of overtime shall be accomplished as follows:

- A. A record shall be maintained and posted weekly in each department of overtime hours worked or charged.
- B. Unscheduled overtime opportunities shall first be offered to the available low overtime qualified employee(s) at work in the classification and department. The low overtime employee qualified to perform the work must accept an overtime assignment where additional overtime help is required or where other employees are not available. Employees not available for overtime for acceptable reasons will be "charged" with the number of overtime hours worked by the employee so assigned. However, if verbal contact is not made with the employee, such employee will not be charged for the overtime worked.
- C. New, or recalled, employees in the department shall be "charged" with the same amount of overtime hours as the highest overtime employee in the Department. Employees returning to work following absence due to accident or illness, leave of absence of 15 days or more, or reinstatement from discharge shall be charged with the average amount of overtime hours of the Department at that time.

**Section 8.** In the event an employee works six (6) days in the regularly scheduled workweek, such employee shall receive time and one-half for the sixth day, and in the event the employee works seven (7) days in the regularly scheduled workweek, he shall receive double the regular rate of pay for such seventh day; provided that work of four (4) or more hours duration performed

on any shift that is not a continuation of a previous shift shall constitute a working day for the purpose only of determining a sixth or seventh day; but this shall not result in any premium pyramid of whatever type.

## **Article VIII**

### **Seniority**

**Section 1.** Each employee hereafter employed by the Company shall not be considered a regular employee of the Company until after a probationary period of 480 hours worked, during which time he shall familiarize himself with his job, safety rules and other Company rules and regulations. During this probationary period, such employees shall be entitled to no seniority and termination of their employment during the probationary period shall not be subject to the grievance procedure. Employees retained after this probationary period acquire seniority status from the first day of employment.

**Section 2.** The seniority list, which will be corrected and posted in the Electrical Unit in January and July each year, will show the names of the employees and with respect to each employee, said list will show the following dates:

1. Company seniority date, which is defined as employee's length of continuous service at the Amarillo Copper Refinery in respect to his last date of hire.
2. Electrical Unit seniority date, which is defined as an employee's length of continuous service from the date he last entered the Electrical Unit.

A copy of the complete list shall be given to the Steward of the Local Union.

**Section 3.** An employee's seniority shall be terminated by:

1. Discharge for just cause.
2. Quit.

3. Expiration of a period of twenty-four (24) months since he last worked for the Company.
4. Failure to return to work when called as provided in Section 11 hereof.
5. After completion of the probationary period, expiration of a period of twenty-four (24) months on layoff except that employees with three (3) or more years of seniority as at commencement of layoff shall have recall rights and accumulate seniority for up to thirty-six (36) months.

**Section 4.** If an employee occupies a non-bargaining unit position, and is returned to the bargaining unit, he shall retain seniority rating as of the date he left the bargaining unit, and be placed in a classification within the Unit to which his qualifications and seniority entitle him.

**Section 5.** A permanent vacancy is defined as and limited to: a job left vacant by reason of an employee leaving one job permanently to take another within the Plant, or an employee leaving permanently the employ of the Company, or a new and permanent job created by the Company.

**Section 6.** If the Company finds it necessary to fill a permanent vacancy, as defined in Section 5 above, it shall be filled in the following sequence:

1. A notice shall be posted in the Unit that will give the job classification in which the vacancy exists and shall be posted for five (5) working days and then be taken down, closing the period of bidding. An employee wishing to apply for any posted vacancy will do so by signing the posted notice. If selection for the vacancy would constitute a lateral or downward movement (based on wage rate), Company approval of the application must be obtained. The job shall be awarded to the senior qualified bidder within the Unit.
2. By transferring a qualified applicant into the Electrical Unit.
3. By hiring a qualified applicant.

4. An employee who has transferred in accordance with the above provisions shall retain his Company seniority, but shall forfeit former Department seniority and commence new Unit seniority.

**Section 7.** A vacancy other than a permanent vacancy as described in Section 5 above shall be deemed a temporary vacancy. If the Company finds it necessary to fill a temporary vacancy, it shall be filled as follows:

1. By a qualified employee on the shift involved.
2. If there is no such qualified employee, the temporary vacancy will be filled from any source.

An employee filling a temporary vacancy shall upon its termination return to the classification from which he was transferred without loss of seniority.

**Section 8.** Selection shall be based on seniority, skill, ability, experience and physical fitness to meet the requirements of the job. Determination of these qualifications shall be made by the Company fairly and in good faith, however, the determination is subject to the grievance procedure. If, on the basis of these qualifications, the Company considers two or more applicants qualified for a vacancy, seniority will be the deciding factor.

**Section 9.** The selected applicant for a permanent vacancy shall be given a maximum of twenty (20) working days to demonstrate his ability to satisfactorily perform the job, provided the employee can be immediately removed if he endangers life, limb or property. If such employee fails to satisfactorily perform the job within the said period, or he decides not to remain in the job, he shall be returned to his former job without loss of seniority. In this event, another applicant shall be selected in accordance with Section 6.

**Section 10.** In reduction of the work force, employees affected thereby shall exercise their seniority in the following manner:

1. An employee shall exercise his Unit seniority to claim a job lower in the Unit for which he is qualified.
2. In the event an employee is to be reduced from his present job due to a reduction of work force, he may accept layoff instead of

demotion. If so laid off, he will be recalled when the job he left is restored, based on his seniority.

**Section 11.** When recall takes place, the employee last laid off shall be recalled first and so on, down through the layoff list, providing an employee so recalled has the qualifications to do the work required. On the restoration of work force, employees who had been demoted out of classifications shall be returned to their respective classifications based on their seniority.

Any employee who has been laid off, but whose seniority has not been terminated in accordance with Section 3, shall keep the Company advised as to his address and will be notified when his services are again required. Such employee shall have five (5) days from the date of receipt by him of registered or certified notice in which he must notify the Company of his intention to accept employment, and such employee must present himself for employment within ten (10) days from the date on which such registered or certified notice is received.

It is agreed that failure on the part of such employee to notify the Company of his acceptance of employment within five (5) days from the date of receipt by him of such registered or certified notice, or his failure to report for such employment within the ten (10) day period from the date of such registered or certified notice was received by him, he shall be considered to have quit.

**Section 12. Shift Preference.** The Electricians "A" may align, or realign, for Shift Preference by Department seniority for shifts defined as first, second, and third. Alignment or realignment may be done semi-annually. At least one of the Electricians on each shift must be an Electrician "A" with a minimum of 3 years in-Plant Electrical Department experience as an Electrician "A".

## **Article IX**

### **Grievance and Arbitration**

**Section 1.** All grievances, defined as and limited to alleged violation of or non-compliance with the specific provisions of this Agreement, shall be presented and processed in accordance with the procedure hereinafter set forth; provided, however, that no grievance will be considered or processed while a

prohibited act as set forth in Article X interferes with the orderly operation of the Plant.

**Section 2.** The Union shall designate a Steward who shall have the authority to deal with Company representatives on all grievances arising in his Unit. The Steward shall suffer no loss in pay for excused straight time hours away from their jobs while processing a grievance in accordance with the procedure set forth below.

**Section 3.** The grievance procedure, which shall not be used to obtain a revision of or addition to the existing contract, is as follows:

**Step A** The grievance shall be discussed within forty-eight (48) hours of the occurrence, Saturday, Sunday or holiday excluded, between the aggrieved employee and the Supervisor of the Unit, with or without the presence of his Steward. The Supervisor shall answer the grievance promptly, but in any event within forty-eight (48) hours of the presentation, Saturday, Sunday or holiday excluded.

The grievance must be reduced to writing, signed by the aggrieved employee and his Steward and presented for Step B within seventy-two (72) hours of the Supervisor's answer, Saturday, Sunday or holiday excluded, or it shall be considered settled on the basis of the Supervisor's answer.

**Step B** Between the aggrieved employee, his Steward, and the Area Manager or his delegated representative. The Area Manager shall answer the grievance promptly but in any event within five (5) days, Saturday, Sunday or holiday excluded. The written grievance must be presented for Step C within five (5) days of the Area Manager's answer, Saturday, Sunday or holiday excluded, or it shall be considered settled on the basis of the Area Manager's answer.

**Step C** Between the aggrieved employee, his Steward, the Business Manager of Local 602 or his designated representative and the Industrial Relations Manager of the Plant or his delegated representative. The Company must notify the Union of its decision in writing within five (5) days following the meeting.

Saturday, Sunday or holiday excluded. If the Union does not accept the decision, the Union must notify the Company in writing within ten (10) days of its intent to arbitrate. Failure to advise of intent to arbitrate within the ten (10) day period shall automatically constitute a settlement on the basis of the Industrial Relations Manager's decision. Failure of the Union to notify the Company to select an arbitrator for the subject grievance within twelve (12) months following the date of the filing of the notice of intent to arbitrate will result in that grievance being resolved on the basis of the Company's last answer.

**Section 4.** Decisions arrived at, either through agreement or expiration of the time limitations, shall be final and binding on all parties, but in the event an agreement cannot be arrived at, the grievance will go to arbitration in accordance with the terms and conditions of Section 5 of this Article.

**Section 5.** The parties will make every effort to agree upon the designation of a fair and impartial person to act as arbitrator. If the parties are unable to agree on a designation, they shall submit a joint request to the Federal Mediation and Conciliation Service for submission of a panel of seven (7) names. From this panel, or subsequent panels, if none of the names on a panel are acceptable, a single name shall be selected and designated to act as arbitrator. The arbitrator so selected shall be empowered to hear and decide only one grievance. The arbitrator's decision shall be in writing, served on both parties to the Agreement. It shall be final and binding on all parties unless the arbitrator has exceeded the authority granted him by this Agreement. The fee and expense of the arbitrator shall be borne equally by the Company and the Union. The arbitrator shall have no authority or discretion to alter, amend, modify or add to any provision of this Agreement, or to decide any matter not covered by a specific provision of this Agreement.

In arbitration cases involving discharge, the parties will attempt to select an arbitrator, in accordance with the selection provision, that has an available date within forty-five (45) days following the appeal to arbitration. Such arbitrator would be directed to render a decision within thirty (30) days following the hearing. If no arbitrator selected in accordance with this provision has such an available date, the parties will agree upon another arbitrator to hear the case in accordance with this provision.

**Section 6.** Any grievance concerning discharge of an employee shall be filed initially at Step "B" of the grievance procedure provided, however, that failure to so file within three (3) days from said discharge, Saturday, Sunday or holiday excluded, shall constitute acceptance of the discharge by all parties.

## **Article X**

### **No Strike; No Lockout**

**Section 1.** The Union agrees that during the term of this Agreement there shall be no strike, work stoppage, interruption, interference or impeding of work. No officer, representative or member of the Union shall threaten, authorize, instigate, aid or condone any such activities. No employee shall participate in any such activities.

**Section 2.** Any employee who violates this Article shall be subject to discipline or discharge by the Company, with right of appeal to the grievance procedure, and if arbitrated, the arbitrator's authority limited solely to the question of whether or not such employee engaged in any of the prohibited acts.

**Section 3.** The Company agrees that during the term of this Agreement there shall be no lockout of employees.

## **Article XI**

### **Wages; Shift Differential**

**Section 1.** The rates of pay as set forth in Exhibit "A" attached hereto and made a part hereof shall become effective as shown on Exhibit "A" and remain in effect through June 30, 2001.

**Section 2.** When a new permanent classification and rate therefor is created by the Company after the signing of this Agreement, the Union will be notified of the classification and the rate which has been set for that classification. If the Union disagrees with the rate, it will notify the Company within five (5) days from the date the Company notifies the Union of the new classification. Failure of the Union to notify the Company within five (5) days will be deemed that the Union agrees with the rate which has been set for that classification.



If the Union disagrees with the rate the Company establishes for such new classification, it may take the matter up through the grievance and arbitration procedure; provided, however, that the grievance shall only be concerned with the relationship of such new rate with the general rate structure and the arbitrator's decision will be so confined. It is specifically understood that the right of the Company to establish or eliminate job classifications is not subject to the grievance and arbitration procedure of this Agreement.

**Section 3.** Employees shall be paid at the appropriate rate for the job performed. Employees, who as a part of their regular job classification relieve other employees on a higher rated job, will not be paid at the higher rate until, or unless, he is on the higher rate job for three (3) hours or more. In that case, he will be paid at his regular job classification for the hours worked on his regular job classification and will be paid at the higher rate job classification for the hours worked on the higher rated job classification. If any employee, during his work day is temporarily transferred to a job which carries a lower rate, he shall receive his regular rate for the remainder of his work day. For any such temporary work continued on the ensuing day, he shall be paid at the rate of the job on which he is temporarily employed.

**Section 4.** For the purpose of determining the application of shift differentials, the shifts shall be defined as follows:

Day or First Shift: a work shift starting between 5:00 a.m. and 11:59 a.m.

Afternoon or Second Shift: a work shift starting between 12:00 noon and 8:59 p.m.

Night or Third Shift: a work shift starting between 9:00 p.m. and 4:59 a.m.

Employees on the day shift shall receive no shift differential for work during their regular shift hours; overtime hours worked immediately following their regular shift hours shall receive the afternoon shift differential.

Employees on the afternoon shift shall receive a shift differential of thirty (30) cents per hour for work during their regular shift hours; overtime hours worked immediately following their regular shift shall receive the night shift differential.

Employees on the night shift shall receive a shift differential of forty-five (45) cents per hour for work during their regular shift hours; overtime hours worked immediately following their regular shift hours shall receive no shift differential.

## **Article XII**

### **Holidays**

**Section 1.** The Company shall recognize the following days as Holidays:

1. January First
2. Washington's Birthday
3. Good Friday
4. Memorial Day
5. July 4th
6. Labor Day
7. Veteran's Day
8. Thanksgiving Day
9. Christmas Day

Holidays will be celebrated according to National or area directives regarding observance.

**Section 2.** Each employee on the active payroll of the Company on these days, who meets the qualifications as hereinafter provided in this Article, will receive one shift's pay at his regular straight time rate, exclusive of shift differentials, as Holiday pay. All employees who work on these days shall receive time and one-half their straight time rate for all hours worked in addition to the above-mentioned Holiday pay.

**Section 3.** The following qualifications and conditions shall apply to Holiday pay:

1. An employee must have been on the Company's payroll continuously for one hundred twenty (120) days prior to the Holiday in question.
2. An employee must work his last scheduled shift immediately preceding the holiday and his first scheduled shift immediately following the holiday. However, if an employee has not worked

either the day previous or the day following a holiday due to proven illness, jury duty, appearance in court, death in immediate family, proven injury or certified Union business, but has worked the other required day, he is entitled to holiday pay. A doctor's certificate will be required as evidence of proven illness or injury. Jury duty or appearance in court must be supported by customary written summons. "Death in immediate family" shall be limited to the definition in Article XVI. Certified Union business must be supported by written notification.

3. If an employee has not worked any shifts within one week of a holiday for any reason other than vacation he shall not receive Holiday pay.
4. If an employee is scheduled and assigned to work on a Holiday and does not work, he shall receive no Holiday pay.
5. Holidays not worked shall not be considered as time worked in the computation of weekly overtime.

### Article XIII Vacation

**Section 1.** Employee shall be entitled to a vacation in accordance with the following schedule:

<u>Years of Service</u>	<u>Length of Vacation</u>	<u>Vacation Pay</u>
One Year	1 week	40 Hours
Two Years	1 week	56 Hours
Three years and less than ten years	2 weeks	80 Hours
Ten years and less than seventeen years	3 weeks	120 Hours
Seventeen years and less than twenty-five years	4 weeks	160 Hours
Twenty-five years or more	5 weeks	200 Hours

"Years of Service" shall be based on the employee's Plant seniority.

**Section 2.** To qualify for a vacation, twelve hundred (1200) hours must have been worked during the previous calendar year. However, Holidays paid hours and vacation pay hours shall count toward this requirement. Time lost on a regularly scheduled hours basis up to 240 hours per year because of accidents compensable under the Texas State Worker's Compensation Law will be considered as time worked in order to qualify for vacations. With respect to employees hired during the previous calendar year, the 1200 hours must have been worked during the year commencing with the date of hiring.

**Section 3.** The first vacation may not be taken before the employee's first anniversary of employment. Subsequent vacations may be taken in advance of the anniversary date, provided the employee has worked at least the required 1200 hours in the previous calendar year.

**Section 4.** Vacation pay shall be based on the employee's permanent classification straight time rate. It shall be paid on the last work day preceding the start of vacation.

**Section 5.** Should a holiday occur during an employee's vacation, the employee may elect pay in lieu of the holiday or an additional day off with pay provided such day immediately precedes or immediately follows the vacation.

**Section 6.** Vacations earned must be taken, but no employee shall be permitted to take more than one vacation during a calendar year.

**Section 7.** Vacations will, so far as possible, be granted at the time most desired by the employee in accordance with his department seniority to the extent practicable, but the final right to allotment of vacation period is reserved to the Company. The Company may elect to give all vacations at the same time, or to stagger vacations throughout the year according to plant convenience, or a combination thereof.

**Section 8.** In addition to the regular vacation pay to which an employee is entitled, there shall be paid a vacation bonus in accordance with the following schedule:

Vacation Week Commencing in:

Bonus:

April, May, October, December

\$35.00 per week

January, February, March, November	\$50.00 per week
June, July, August, September	No Bonus

The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences, that is, the first day thereof the employee would otherwise have been scheduled to work. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds. A \$20.00 bonus shall be paid for vacation weeks paid in lieu of time off.

The vacation bonus is an add-on to, and not part of, an employee's regular vacation pay.

#### **Article XIV** **Health – Welfare, Vision Care, Prescription Drug,** **Dental, Life Insurance, FSA and 401k Benefits**

The Company will provide Health-Welfare, Vision Care, Prescription Drug, Dental, Life Insurance, Flexible Spending Account and 401k Benefits as shown in this Article which includes revisions in the Plans in accordance with the Memorandum of Settlement dated June 30, 2001. These Plans of benefits will continue in effect until June 30, 2004. However, the benefits provided under "A" and "C" of this Article will be discontinued or reduced to the extent that like benefits are provided under Federal or State Law for which the Company and/or employee may be taxed. Benefits provided under "A" and "C" of this Article shall not be paid if the disease, sickness or injury is compensable under any Workers' Compensation Law or occupational disease law (except Weekly Sickness and Accident Benefits as specified), or for any injury arising out of or during the course of any employment for wage or profit. For details, refer to the Summary Plan Description(s).

#### **A. HEALTH AND WELFARE BENEFITS.**

Subject to rules and regulations of the Plan not in conflict with this Agreement between the Company and the Union, the benefits shall be provided as outlined below.

1. **Accidental Death or Dismemberment Benefits (For Employees Only).** Death or dismemberment by accidental means due to non-occupational causes, will provide:

- a. \$29,500 for loss of life.
  - b. \$14,750 for loss of 1 hand or 1 foot or the sight of 1 eye.
  - c. \$29,500 for loss of 2 or more such members.
2. Weekly Sickness and Accident Benefits (For Employees Only).
- a. \$220.00 per week (\$230.00 per week effective 1/1/2002, \$240 per week effective 1/1/2003, \$250 per week effective 1/1/2004) for 52 weeks for absences caused by non-occupational accidents or sickness; benefits to start the 1st day in case of accidents or hospitalized sickness or outpatient surgery and 6th day in case of unhospitalized sickness.
  - b. Worker's Compensation Supplement
- For any week that temporary and total disability benefits are payable under State Worker's Compensation law, such payments shall be supplemented by an amount equal to the difference (if any) between such weekly payment and the Non-Occupational Weekly Sickness and Accident Benefit, provided that the Company recognizes the disability causing the absence to be work incurred and the disability commenced on or after January 1, 1981. There is no change in the terms or conditions of the Non-Occupational Weekly Sickness and Accident Benefit Plan, including the duration of such benefits, except to provide a Worker's Compensation Supplement.
- c. Benefits will terminate at commencement of benefit payments under the Pension or Permanent and Total Disability Benefit Plans.

3. Preferred Provider Network

The Company has contracted with a Preferred Provider Organization to provide a network of health care providers to Asarco Employees. Employees will retain the option of continuing to secure care on a fee-for-service basis or utilizing the Network. For in-network Medical Expenses, the employee Co-Payment shall be 5%. For out-of-network expenses the employee Co-payment will be 20%. In all other respects, in-Network coverage will be identical to fee-for-service coverage.

#### 4. Managed Care

The Company has contracted with a Managed Care Organization to implement a pre-certification and utilization review program. This program includes the following:

Pre-Certification for all In-Patient Courses of Treatment;

Continuing Stay Review for all Confinements; and

Case Management including alternative setting reviews and Discharge Planning.

Employees securing In-Patient care on a fee-for-service basis (outside of Network) will be required to contact the Managed Care Organization prior to admission. Claims for In-Patient treatment submitted by employees who have failed to contact the Managed Care Organization will be subject to a per confinement deductible of \$250. Employees obtaining In-Patient care from Network providers need not contact the Managed Care Organization. This program shall include an appeals procedure.

#### 5. Comprehensive Plan

Effective January 1, 2002, all plan participants will be covered by the Comprehensive Plan with the following features:

<b>Design</b>	Comprehensive
<b>Deductibles</b>	\$200 per individual/\$400 per family
<b>Co-payments</b>	95%/5% (in-network) 80%/20% (out-of-network)
<b>Annual Stop Loss</b>	\$2,000 aggregate
<b>Lifetime Maximum</b>	\$1,000,000
<b>Contributions</b>	\$5/month Employee \$10/month Employee + one dependent \$15/month Employee + family

Enrollment shall be on an annual basis. However, changes in family status during an enrollment year shall be accommodated with proper notification and documentation. Changes must be submitted

within 31 days of the qualifying event. Active full-time employees who elect to opt out of coverage will receive \$25 per month. An employee's decision to opt out is subject to proof of alternative coverage.

Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

All benefits shall be payable on a usual and customary fee basis subject to the annual deductible and co-payment.

**Definition of Usual and Customary Fees:**

- a. **Usual** -- The "usual" fee that is charged for a given service, by an individual physician to the majority of his private patients.
- b. **Customary** -- A fee is "customary" when it is within the range of usual fees charged by physicians of similar training and experience, for the same service within the same specific and limited geographical area (socioeconomic area of a metropolitan area of a county).
- c. **Reasonable** -- A fee is "reasonable" when it meets the above two criteria, or in the opinion of the responsible medical association's review committee, is justifiable, considering the special circumstances of the particular case in question.

**6. Preventive Care**

Preventive care will be offered under the current Health Plan and shall include the following services, without having to pay a deductible. Benefits are paid according to a schedule. Coverage is as follows:

**Benefit Schedule:**

**Physical Examinations:**

Frequency of exams is based on age: \$150

**People who are:**

Age 61 and over are covered for an annual exam.

Between ages 41 and 60 are covered for an exam every two years.



Between ages 31 and 40 are covered for an exam every three years.  
Age 30 and below are covered for an exam every four years.

**Screening Exams -**

One Pap test annually: \$ 30

Sigmoidoscopy: \$225  
Once every three years for people age 50 and over.

Mammogram: \$135  
Annual for women age 50 and over and one  
mammogram every other year for women age 35 and  
over with a first degree relative with breast cancer.

**Well Baby Care:**

Birth (in the hospital after birth) \$ 90

2, 4, 6, or 8 weeks (per visit) \$ 80

4, 6, 9, 12, 15, 18 and 24 months (per visit) \$ 80

**Immunizations:** The plan pays scheduled benefits for  
immunizations as part of well-baby care for infants (EMMR, DPT,  
Oral Polio, etc.).

**7. Plan Benefits**

- a. Expenses incurred for kidney dialysis provided at home or in a kidney dialysis unit which is not connected with a hospital will be covered to the same extent such services would be covered if the procedure was provided in a hospital.
- b. Expenses incurred for extraction of impacted teeth in the out-patient department of a hospital will be covered to the same extent such services would be covered if the extraction was performed as a hospital in-patient.
- c. Expenses incurred for surgery performed in an ambulatory surgical facility will be covered to the same extent such services would be covered if the surgery was performed as an in-patient in a hospital.

An ambulatory surgical facility is described as a legally constituted and operated ambulatory care health center (either part of a hospital or otherwise) with permanent plant, equipment and supplies not usually available in a physician's office for surgical or medical care not requiring in-patient confinement.

- d. Temporomandibular Joint Dysfunction (TMJ) services will be covered at 80%/20%. Services provided by an in-network physician will be covered at 95%.
- e. Skilled Nursing Coverage will be provided in a Skilled Nursing Facility. Details of this benefit are included in the Summary Plan Description.
- f. Benefits shall be provided for sterilizations, abortions and transplant procedures, including donor expenses not covered by other plans.

8. Limitations

- a. Alcoholism and Drug Addiction

Benefits under any provision of the Plan for treatments received in an accredited treatment center for alcoholism or drug addiction will be limited to two confinements of not more than 30 days each, unless the course of treatment requires additional days (to a maximum of 15 additional days) during a covered individual's lifetime.

- b. Chiropractors

Covered Visits

- 1. Initial consultation.
- 2. Maximum of 18 visits in any calendar year (excluding initial consultation).

X-Rays

Limited to three x-rays in any 90-day period.

- c. Psychiatric Treatments

### Non-Hospitalized

Benefits paid on behalf of any covered individual under all provisions of the Plan shall be reimbursed on a 60%/40% Co-Payment basis.

### Hospitalized

Benefits paid under any provision of the Plan for expenses incurred as the result of confinement in a hospital for psychiatric treatment shall be limited to two confinements of not more than 30 days each during a covered individual's lifetime.

## 9. Pensioners' Coverage

Employees who are under age 65 upon retirement date (early retirees) who retire under the comprehensive plan after January 1, 2002 will continue to be covered under the Plan for "active employees" until the employee qualifies for MEDICARE. The spouse of an employee who retires will continue to be covered under the Plan for "active employees" until the spouse qualifies for MEDICARE. Employees who retire before January 1, 2002 will remain covered by the Health Plan in effect at the time of retirement.

The spouse of an active employee who dies and who is eligible for a Spouse's Pension will continue to be covered for benefits under the Plan for "active employees" until the spouse qualifies for MEDICARE or remarries.

For purposes of qualifying for benefits under this provision, retirement will include employees receiving benefits under the Permanent and Total Disability Benefit Plan and the surviving spouses of such employees.

Coverage for employees retiring under early retirement provisions of the Pension Plan or those qualifying for Permanent and Total Disability Benefits will be extended to dependent children in addition to the employee's spouse. Dependent coverage for early retirees will be limited to existing eligible dependents on the effective date of retirement; and subsequently wed spouses and natural children born of that marriage and grandchildren who

become dependents of the retirees as the result of the death of both parents of the grandchildren.

#### 10. Eligibility Requirements

The following eligibility requirements for the Plan of Health and Welfare Benefits shall apply:

- a. New employees shall become eligible on the 91st calendar day following date of their employment.  
  
Coverage for employees and dependents hospitalized or under care for illness or injury on the effective date of coverage shall be extended to comply with the Health Insurance Portability and Accountability Act (HIPAA).
- b. Employees who are sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- c. Employees who are sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 36 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave became effective. Employees on leave of absence for Union business shall remain eligible during the first twelve months of such leave of absence. If such leave of absence is extended by the Company such employees may continue to be eligible, provided they pay the full cost of such coverage.
- e. In the event an employee is discharged by the Company and there is a dispute as to whether or not the discharge was justified, the Company shall continue the benefits under the Plan for such employee until the case is finally resolved, but not exceeding 90 days.
- f. In the event an employee stops work due to a strike, all benefits under the Plan, other than Weekly Sickness and Accident Benefits, shall continue for the duration of such strike, provided the employee shall pay the required premium during the strike. During the strike, Weekly Sickness and

Accident Benefits shall not be continued but benefits thereunder will be payable if total disability commenced prior to the strike.

- g. The provisions of paragraphs a, b and c above, shall not apply in any case where this Agreement contains a specific provision covering the matter which is more favorable to the employee.

## 11. General Provisions

### a. Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Plan is as follows:

The employee's spouse and the following categories of unmarried children less than 19 year of age, provided such individuals are not employed by Asarco:

Category A -- The employee's natural children.

Category B -- The employee's legally adopted children (including a child living with the adopting parents during the period of probation) and those for whom the employee is legal guardian. All cases must be submitted to the Corporate office for approval.

Category C -- Stepchildren (i.e., the natural children of the employee's spouse) residing in the employee's household and supported solely by the employee. All cases must be submitted to the Corporate office for approval.

Category D -- Children for whom coverage is required under a Qualified Medical Child Support Order (QMCSO). All cases must be submitted to the Corporate office for approval.

The Plan shall also include employee's children 19 years of age or more but less than 25 years of age provided such child is unmarried, dependent upon the employee for support and maintenance and is attending an accredited school or

university on a full-time basis. The employee must provide supporting documentation semi-annually.

Children in the above categories who are totally disabled are covered under the Plan, regardless of age, for as long as they are dependent upon the employee for support and maintenance provided they became totally disabled prior to age 19 and were eligible for coverage as a dependent child prior to attaining age 19. For purposes of qualifying as disabled, dependent children must be certified by the Asarco Corporate Medical Director, as suffering from an injury or illness which prevents them from living independently from their parents and obtaining gainful employment. Coverage for disabled children will continue until both parents qualify for MEDICARE or otherwise lose coverage through the Asarco Health Plan.

Persons, other than those described in the foregoing, are not included as dependents. Changes must be submitted to the unit Human Resources office within 31 days of the qualifying event.

b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Health Plan shall be reduced to the extent like benefits are payable under the provisions of any group insurance plan or group pre-payment plan.

In the event a covered dependent under the Asarco Health Plan is, shall become, covered, or eligible for coverage, under any group insurance or prepayment plan, benefits under the Asarco Health Plan shall be secondary to the benefits provided or available under such other plan and aggregate benefits that would have been payable under both plans may not exceed benefits that would have been payable under the Asarco Health Plan.

This provision does not apply to benefits payable for the account of active employees eligible for Medicare when such active employees elect the Asarco Health Plan as primary payer of medical benefits for themselves including their covered dependents.

Expenses and benefits which are recovered by legal action or settlement are not covered under any provision of the Asarco Health Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Health Plan which is recovered by legal action or settlement.

Employees are required to notify Asarco promptly of the fact of such legal action, and of a judgment or settlement in favor of the employee (or covered dependent) and make available all information relevant to the administration of any provision of the Plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Health Plan benefits.

c. **Benefit Booklets**

Benefits and general items briefly outlined herein are described in more detail in the summary plan description distributed to employees. The benefit provided under the Plan will cease on the date that the employee leaves the service of the Company, except that benefits will be paid in connection with claims which were incurred prior to such date.

d. **Audit of Hospitals Bills**

Employees will be paid one-third (1/3) of any savings which results from their discovery and report of hospital billing errors with a \$250.00 maximum payment to the employee per confinement. The only exceptions to this audit feature are bills for care received at a participating Preferred Provider hospital. Due to the discounted fee arrangement at Preferred Provider hospitals, employees will be unable to audit bills received from such providers.

## **B. VISION CARE.**

Employees, early retirees and their eligible dependents shall be covered under the Asarco Health Plan. Details of the vision care benefits are included in the Summary Plan Description, a copy of which is provided to each employee.

Effective January 1, 2002, reimbursement for lenses under the vision care coverage will be increased \$25 in total for each two-year period under the plan.

## **C. PRESCRIPTION DRUG CARD PLAN.**

Employees and early retirees who desire prescription drug coverage for themselves and/or their dependents shall have the option of participating in the Prescription Drug Program or to opt out. There will be an annual enrollment period during which employees will be given the opportunity to enroll in the Prescription Drug Card Program. If employees choose to opt out of the Drug Card Program, prescription drugs will not be recognized under the Health Plan, except for drugs which are dispensed in the hospital, while the plan participant or dependent is receiving emergency or in-patient treatment.

Employees and early retirees who enroll in the Prescription Drug Card Plan are subject to the following monthly contributions:

- \$ 3/month per single employee
- \$ 7/month per employee with one dependent
- \$11/month per employee and family

Enrollment shall be on an annual basis. Changes in family status during the enrollment year shall be accommodated. Changes must be submitted within 31 days of the qualifying event.

Brand Name prescriptions filled at a participating retail pharmacy will be covered at 80%. Generic prescriptions filled at a participating pharmacy will be covered at 90%. Mail order prescriptions (maintenance drugs) will be paid at 100%. No deductibles or medical forms to file.

In all other respects, the terms of the Prescription Drug Card Program shall remain unchanged.



## **C. DENTAL BENEFITS.**

Subject to rules and regulations of the Plan, the benefits shall be provided for active full-time employees and their eligible dependents as outlined below.

### **1. Usual and Customary Fee Coverage**

The Plan shall provide benefits on a usual and customary fee basis as follows:

- a. 100% of usual and customary charges for preventive services such as oral examinations, teeth cleaning and space maintainers for children under 19 years of age.
- b. 85% of usual and customary charges for most other dental procedures.
- c. 50% of usual and customary charges for bridgework and dentures.
- d. 50% of usual and customary charges for orthodontic diagnosis and treatment for children under 19 years of age (maximum lifetime benefit of \$650.00 per individual).
- e. The maximum benefit for expenses incurred during any calendar year under "a", "b" and "c" above shall be \$1,000 per individual.
- f. A deductible of \$15 per covered individual will be applied each calendar year.

### **2. Definition of Usual and Customary Fees**

- a. **Usual** -- The "usual" fee is that fee which the individual dentist or physician most frequently charges the majority of his private patients for a given service rendered or supply furnished.
- b. **Customary** -- A fee is "customary" when it is within the prevailing range of fees charged by dentists or physicians of similar training and experience, for the same service rendered or supply furnished within the same area (metropolitan area,

county or such greater area as is necessary to obtain a representative cross-section of dentists' or physicians' fees).

- c. **Reasonable** -- A fee is "reasonable" when it meets the above two criteria or is justifiable, taking into consideration unusual circumstances or complications requiring additional time, skill and experience in connection with particular dental service or procedure in question.

### 3. Eligibility Requirements

The following eligibility requirements for the Dental Plan shall apply:

- a. New employees shall become eligible on the day following the completion of one year of Company service.
- b. Employees who become sick or disabled by a non-occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding six months.
- c. Employees who become sick or disabled by an occupational illness or accident shall be covered by the Plan for the period of their disability, not exceeding 12 months.
- d. Employees on layoff or leave of absence shall remain eligible under the Plan for a period not to exceed 90 days following the month when their layoff or leave of absence became effective. Employees on leave of absence for Union business shall remain eligible under the Plan for lesser of the duration of such leave or 12 months.

### 4. General Provisions

#### a. Who Are Eligible Dependents

The definition of dependents eligible for coverage under the Dental Plan is the same as the Health Plan.

#### b. Non-Duplication of Benefits

Benefits available to any covered individual under any provision of the Asarco Dental Plan shall be reduced to the

extent like benefits are payable under the provisions of any group insurance or group pre-payment plan.

If, during the term of this contract, like benefits are provided under a compulsory contributory Federal or State program, the Company and the International Union will meet to reach mutual agreement on the amount and reallocation of funds released as a result of reduction of Asarco Dental Plan benefits.

Dental expenses which are recovered by legal action or settlement are not covered under any provision of the Asarco Dental Plan. Accordingly, the Company shall be entitled to a refund for any benefits paid under any provision of the Asarco Dental Plan which are recovered by legal action or settlement.

- c. Benefits and general items briefly outlined herein are described in more detail in the Summary Plan Description distributed to employees. The benefits provided under the Plan will cease on the date that the employee retires, dies, or otherwise terminates active employment with the Company.

#### **E. LIFE INSURANCE BENEFITS.**

Subject to rules and regulations of the Plan, the benefits shall be provided as outlined below:

##### **1. Active Employees**

Effective July, 1, 2001, \$29,500 of coverage shall be provided for each active employee after 91 days of employment.

The Plan shall include the following provisions:

- a. Waiver of premiums in event of disability at any age.
- b. Extended benefits for a period of 31 days.
- c. Conversion rights within 31 days.
- d. Active employees shall be allowed to purchase at cost, supplemental life insurance for themselves and dependent life

insurance for their spouses and children. Employees are responsible for payment of these premiums.

2. Retired Employees.

Upon retirement under the Company's Retirement Plan, the amount of coverage to be continued without cost to the employee will be \$4,000.

**FLEXIBLE SPENDING ACCOUNTS.**

Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$2400 for uncovered medical, vision and dental expenses, with a minimum contributed of \$240 required. Effective January 1, 2002, active full-time employees may elect to establish flexible spending accounts of up to \$4,800 for dependent care, with a minimum contribution of \$480. For detailed information concerning Flexible Spending Accounts refer to the Summary Plan Description.

**F. COSTS.**

During the term of this Agreement ending June 30, 2004, the Company will pay the cost of all benefits outlined in this Article, including any increase required for such benefits (with the exception of all monthly contributions, deductibles, co-pays and supplemental/dependent life insurance contributions as described in this Article).

**G. 401(k) PLAN.**

All employees who have completed one month of service shall be eligible to participate in the 401(k) Savings Plan. Employees may contribute up to 19% (or the Federal allowable maximum) of their earnings into the Plan. The Company will match 50% of the employee's contributions, up to the first 6%. Employees should refer to the 401(k) Plan Summary Plan Description for details of the Plan. The provisions of the Plan will not be subject to the grievance and arbitration provisions of the collective bargaining agreement.

(Remove Effective July 1, 1995.) All loan origination fees and loan service charges (\$30 and \$10 respectively), as set by the Fund Managers, shall be the responsibility of the employees requesting the loan. If the

amount of such fees increase, such increases shall not be passed on to the employee during the period of the contract.

Company matching contributions for participants who attain age 64 shall be transferable.

#### **Article XV Jury Service**

Employees summoned for or performing jury duty shall receive their 8-hour straight time permanent job classification pay they would have earned on the particular days involved, where such summons or jury service falls on their regular scheduled work day, up to a maximum of thirty (30) days per year, provided proof of appearance is presented to the Company. Immediately after a summons is received, the employee must notify his supervisor of the time, date and place he is to serve. This provision shall be interpreted to include an employee who is summoned for jury duty whether or not the employee actually serves on a jury.

#### **Article XVI Bereavement Pay**

**Section 1.** In case of death in the immediate family of an employee, time off with straight time pay will be allowed for a total of three (3) days absence falling on regularly scheduled work days. The three (3) days off to which employees are entitled may be taken at any time beginning the date of the occurrence of the death and ending the day following the funeral; however, at least two (2) such days must be consecutive. "Death in the immediate family" shall be limited to the death of father, mother, step-father, step-mother, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandmother, grandfather, husband, wife, sister, brother, step-brother, step-sister, child, step-child, grandchild only. Employees will be allowed one (1) day off with straight time pay for the death of a sister-in-law, brother-in-law, grandmother-in-law, or grandfather-in-law

**Section 2.** If for any reason an employee works his regular scheduled day or any part or all of the above specified three (3) days or one (1) day, this clause will in no way be construed as eligibility for premium pay for such time actually worked.

**Section 3.** A new employee must have been on the Plant payroll for one hundred twenty (120) days prior to such death to be eligible for pay under the above provision.

**Section 4.** In order to be entitled to the benefits above, at the request of the Company the employee shall produce reasonable proof of death of such relative, which clearly and legally establishes the date of death and relationship to the employee.

## **Article XVII**

### **Military Duty**

**Section 1.** An employee required to attend encampment of the Reserve of the Armed Forces or the National Guard shall be paid the difference between his government pay (excluding travel, subsistence or quarters allowance, if any) for a period not to exceed two weeks in any calendar year and the amount of straight time pay, based on eight (8) hours per day -- forty (40) hours per week, he would have received had he worked instead of attending encampment. The straight time pay calculations shall exclude shift differentials and any other premium pay, but shall include pay for any holiday covered by the Agreement which is observed during the period of encampment for which the military encampment allowance is calculated. If the encampment exceeds two (2) weeks in any calendar year, only the first two (2) weeks the employee would have worked but for the encampment shall be considered for the purpose of calculating the allowance.

## **Article XVIII**

### **Leave of Absence**

**Section 1.** A leave of absence, for compelling personal reasons, may be granted for a period not exceeding fifteen (15) days upon written application of the employee and approval of the Company. Extensions may be granted upon written application and approval of the Company. Said leave of absence shall not be approved for the purpose of taking other employment, and employees using leaves of absence for such purpose shall be subject to discharge.

**Section 2.** The Company will grant to an employee a leave of absence for a period not to exceed one (1) year to work in an official capacity for the Union. This leave will be limited to not more than one (1) employee at any given time and may be extended for an additional one (1) year period if the Company and the Union agree to it. Upon the termination of this Union employment, the employee shall be reinstated with accrued seniority rights unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; provided, however, that such employee is physically able to perform the duties of such job and that he makes application to the Company for reinstatement within ten (10) days after said termination. No benefits of employment, except seniority, shall accrue during the period of absence.

## **Article XIX**

### **Safety and Health**

#### **OBJECTIVE**

The Company shall make reasonable provisions for the safety and health of its employees during the hours of their employment, and agrees to abide by and maintain standards of sanitation, safety and health in accordance with Federal and State laws and regulations.

The Company and the Union will cooperate in achieving the objective of eliminating recognized hazards related to sanitation, safety and health; the Company will insist that all employees comply with all Safety and Health rules.

Recognizing that continuing on-the-job safety and health, as well as the elimination of recognized hazards is the concern of all employees, the following program shall be adopted by the parties.

#### **FIRST AID FACILITIES**

Adequate First Aid facilities and access to emergency First Aid treatment shall be provided by the Company. A registered nurse or qualified trained personnel shall be available to administer First Aid to employees on all shifts.

## **TRAINING**

**New Employees:** All new employees shall be given a thorough indoctrination in the applicable Safety and Health program and shall be provided with a listing of the members of the Safety and Health Committee. The Union shall be responsible for providing the Company with a current listing of Union representatives on the Committee.

**All Employees:** All employees will be instructed on the safety and health aspects of their particular job.

**New Equipment and Processes:** When the Company introduces new equipment or processes, all employees involved shall be instructed and trained in its safe operation.

Where the Company uses or introduces chemicals, solvents, and gases, which may be or become a recognized hazard in working areas, the Company will advise affected employees and the Union Departmental Safety and Health Representative of precautions which have been taken and to be observed for their protection. On request of the Committee's Union Representative, the Company will provide written assurance that such steps have been taken.

## **RECORDKEEPING AND REVIEW**

**Exposure Measurements:** The Company will keep such records of exposure as may be required by the U.S. Department of Labor. On request of the Committee's Union Representatives, the Company will review the results of exposure measurements with them.

**Accident Frequency and Severity:** A summary report of accident frequency and severity shall be prepared quarterly and forwarded to the Local Union and the International Union Safety and Health Department. Such summary report may be reviewed upon request of either party at the Safety and Health Committee meetings.

## **COMMITTEE MEMBERS AND MEETINGS.**

A Safety and Health Representative and an Alternate in each Department of the Plant, to a maximum of three representatives and three Alternates if the number of Departments exceeds three, shall be designated by the Union. These



Representatives or an Alternate, if available, in the absence of the Representatives shall meet with the Company Representatives monthly, as a "Safety and Health Committee" (hereinafter called the "Committee"), to review and discuss Safety and Health matters. Without detracting from the existing rights and obligations of the parties, alcoholism or drug abuse may also be discussed with the objective of rehabilitating the afflicted employees. These meetings shall be held during the day-shift working hours. Representatives or Alternates at work shall not suffer loss of time for attending.

A special meeting may be called by either party on reasonable notice to all representatives, as a specific Safety and Health situation requires. Representatives or Alternates at work shall not suffer loss of time for attending.

## **REPORTS OF MEETINGS**

A written report of regular and special meetings, including subjects discussed, recommendations made and action taken shall be prepared by a Company Representative and a copy sent to each representative within five (5) working days following the meeting. If the Union Committee Representatives take exceptions to the minutes, such exceptions may be submitted in writing to the Company within five (5) days after receipt of the minutes.

## **COMPLAINTS AND/OR DISPUTES**

An employee who sincerely believes and alleges that an unsafe condition exists on a job beyond normal hazards inherent in the operation, such that he is in danger of injury, may, on request, be promptly assigned to another job if available, at the rate of pay on that job, or sent home. The employee may request that the Departmental Safety and Health Representative, or Alternate in the absence of the Representative, be called to confer with the Company regarding the alleged unsafe condition. The determination whether to assign the employee to another job, if available, or to send him home shall be made by the Company. After assuring itself that the job is, in fact, safe, should the Company wish to assign another employee to the job, he or she will be advised of the dispute before assignment.

If the job is found to be unsafe at the next scheduled safety meeting provided for herein, to which the affected employee will be given the opportunity to attend if deemed necessary by the Committee, he will suffer no loss in pay for the time lost. If there is no agreement as a result of such

meeting, the matter will be resolved by an arbitrator to be selected in the manner set forth in Article IX. This provision will not be subject to the regular grievance procedure of this Contract.

## **INSPECTIONS**

The respective Departmental Representative - Departments in excess of three shall be assigned among the three Representatives - shall accompany and advise the Plant Safety Engineer during his regular monthly scheduled inspection of the Plant. The Union may designate an Alternate to participate, if available, in the absence of any such Representative. These Departmental Representatives may also accompany the Company's Central Safety Engineer on an inspection trip during his periodic visit to the Plant. If at work, the designated Union member of the Committee, or its alternate in absence of the member, shall be afforded the opportunity to accompany government inspectors, State and Federal.

## **PLANT VISITS**

If desired, International Union Safety and Health Representatives may visit the Plant, if a particular situation warrants; reasonable notice to, and permission of, the Unit Manager shall first be obtained. In the event of a fatality of an employee, such permission shall not be unreasonably withheld.

## **ACCIDENT INVESTIGATIONS**

Management will promptly notify the Union Safety and Health Representative on shift (or in his absence, the alternate designated for such purpose) of the occurrence of an accident involving substantial injury to Life and Limb. On request to investigate the scene of the accident, permission to do so will not be unreasonably withheld. The Representative or Alternate on shift shall not suffer loss of time due to such investigation.

## **PAY ON DAY OF INJURY**

An employee injured in an industrial accident who loses time on the day of accident and/or the day following the accident, as a result of obtaining Company directed medical treatment, shall be compensated for such lost time occurring during the scheduled hours of work on the day(s) such treatment is received.

## **SHOWERING**

The Company may require certain employees to shower immediately before or after the completion of their workday. In such cases, fifteen (15) minutes will be allotted for showering and related activities when required before the end of the workday or if so designated by the Company, where required after the completion of the employee's workday.

### **Article XX Cost of Living "Suspended for Duration of Agreement"**

### **Article XXI Security and Severance Plan**

The Security and Severance Plan will be in accordance with the following outline of provisions, subject to the detailed Plan.

**FORMULA:** 1% of Average Annual Earnings times Years of Service, plus \$30.00 times Years of Service. (Annual Earnings: Straight time hourly earnings, which shall exclude all pay premiums of whatever nature, for the twelve consecutive calendar months immediately preceding date of layoff, retirement, or death, divided by the straight time hours worked, multiplied by 2,080 hours. Security and Severance Plan Benefit calculations shall not be reduced by any wage reductions negotiated.

Hires, or rehires, on or after July 1, 1983, shall be limited to a \$7,500 maximum (lifetime) amount accrued by Formula.

**ELIGIBLE:** All employees upon completion of Two (2) Years Service. (All "Years Service" shall be based on the Plant's Seniority List.)

**PAYMENTS:** Laid-off Employees (for lack of work only):

After 14 calendar days on lay-off, \$75/week until either:

- (a) Employee is recalled.

- (b) Exhaustion of his amount accrued by Formula. In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to an employee with ten (10) or more years of service at the commencement of layoff, provided layoff commenced prior to July 1, 1986. (Otherwise, this provision is eliminated effective July 1, 1986.)

In no case shall laid off benefits be deducted from the amount accrued by Formula in respect to eligible employees during weeks for which the employee receives State Unemployment Compensation benefits. For employees laid off on or after July 1, 1983, but prior to July 1, 1986, the additional non-deductible weeks (up to 12 weeks) shall only apply to laid off benefits paid after the employee has exhausted his State Unemployment Compensation benefits or is not otherwise employed. If otherwise employed, such payments for the twelve (12) weeks shall be deducted from his amount accrued by Formula.

- (c) 52 weeks.

whichever first occurs.

In the event of (c) and an amount accrued remains, the employee shall have the option of: the remaining amount continuing on accrual; or receiving the remaining amount accrued in a lump sum payment.

Payments shall be made without regard to:

- (1) Any other benefit or payment received by the employee.
- (2) His employment status except as covered in (a) above.

An employee laid off, recalled before (b) occurs, and subsequently laid off shall have an accrued amount based on total years of service (figured to nearest complete calendar quarter) less total deducted payments received.

**Pensioned Employees:** At date of retirement under Company's Retirement Plan, or on the date of his established eligibility for benefits

under the Company's Plan of Permanent and Total Disability Benefits, the employee shall have the amount accrued by Formula less total payment received if any. Retirement payments shall reflect only laid off benefit payments deducted.

**Death of an Employee:** Upon the death of an employee his designated beneficiary shall receive an amount determined by Formula based on the employee's status at date of death. Death payments shall reflect only laid off benefit payments paid.

Employees separated for any reason other than lay-off, retirement, permanent and total disability, or death shall not receive any payments.

All payments provided hereunder shall be subject to statutory deductions or withholdings.

## **Article XXII**

### **Miscellaneous Provisions**

**Section 1.** The Union agrees that there will be no solicitation or collection of money, for any reason, during working hours without the permission of the Company.

**Section 2.** All candidates for reemployment, and after curtailment, must pass a physical and medical examination, and the Company may require periodic examinations of all employees. The Company will pay for all such physical or medical examinations.

**Section 3.** It is not the intention of the Company to have supervisory employees perform work which is normally performed by bargaining unit employees. However, it is understood and agreed that exceptions will occur in cases such as, but not necessarily limited to, training employees, emergencies, quality and quantity control, continuity of operations when qualified employees are not available, and testing of equipment or processes before placing in regular production.

**Section 4.** During the term of this Agreement, the parties specifically waive all rights to request bargaining with respect to rates of pay, wages, hours of work or any other items or conditions of employment whether or not

previously raised or covered herein, except as otherwise provided in Article XI, Section 2 of this Agreement.

**Section 5.** If any provision of this contract shall be in conflict with or in violation of any applicable State or Federal Law, such provision shall be inoperative and of no effect, but shall not affect the remaining provisions hereof.

**Section 6.** Prior to the implementation of a major *technological change* in equipment (not just larger, or improved, or modified, equipment) which may reasonably be expected to result in substantial impact on job assignments, the Company will notify the Union that such technological change will occur and identify the job classifications that may be affected.

### **Article XXIII**

#### **Duration; Termination**

**Section 1.** This Agreement shall remain in full force and effect from July 1, 2001, through June 30, 2004, and from year to year thereafter unless either party shall elect to modify or terminate it by giving written notice to the other sixty (60) days, but not more than seventy-five (75) days, prior to the expiration date.

**Section 2.** Notices shall be sent by Certified Mail and shall be addressed as follows:

ASARCO Incorporated  
P. O. Box 30200  
Amarillo, Texas 79120-0200

International Brotherhood of Electrical Workers  
Local Union No. 602  
P. O. Box 143  
Amarillo, Texas 79105

Section 3. Executed this 8<sup>TH</sup> day of April, 2002.

**FOR THE COMPANY:**

L. W. Castor

L. W. Castor

G. A. Herring

G. A. Herring

W. T. J. McLean

W. T. J. McLean

D. D. Dalton

D. D. Dalton

**FOR THE UNION:**

W. Pate

Will Pate

Business Manager

R. Finney

R. Finney

E. Maxwell

Edgi Maxwell

W. Henderson.

William Henderson

# Exhibit "A"

Class	Rate Per Hour Effective 7/1/01	Rate Per Hour Effective 7/1/02**	Rate Per Hour Effective 7/1/03
1	14.445	14.945	15.445
2	15.115	15.615	16.115
3	16.225	16.725	17.225
4	16.505	17.005	17.505
5	16.780	17.280	17.780
6	17.055	17.555	18.055
7	17.340	17.840	18.340
8	17.610	18.110	18.610
9	17.905	18.405	18.905
10	18.215	18.715	19.215
11	18.515	19.015	19.515
12	18.830	19.330	19.830

\*\* This \$.50 wage increase will be effective the beginning of the first payroll period after which the average COMEX price of copper is \$1.00 per pound or more for thirty (30) consecutive days or 7/1/02, whichever comes first.

The Hiring Rate for Laborer Classification shall be \$2.00 per hour less than the contract Laborer Rate for the first 1,040 hours worked and \$1.00 per hour less than the contract Laborer Rate for the next 1,040 hours worked by persons hired on or after July 1, 1983. However, such employees shall be paid at the contract rate applicable to the work performed in higher rated classifications during this 2,080 hour period.

Bargaining unit employees selected by the Company to act as Leadman will be paid 25 cents per hour above Rate 12).

## OCCUPATION

## CLASS

Laborer	1
Apprentice A	4
Apprentice B	5
Apprentice C	6
Apprentice D	7



Junior Apprentice	8
Senior Apprentice	9
Electrician	10
Electrician B	11
Electrician A	12

## APPENDIX A TRANSFER RIGHTS PROGRAM

### Section 1.

- A. Any employee of an existing organized plant of ASARCO Incorporated located in the States of Arizona or Texas, hereinafter "home plant", who is either permanently laid off on or after the date established by the Company for the commencement of a permanent plant shutdown and is not eligible for an immediate pension, or has otherwise been indefinitely laid off for a period of six months or more, and who at the time of the layoff, either permanent or otherwise, has attained 3 years or more of service with the Company, shall be given priority over other applicants (new hires) for job vacancies (other than temporary vacancies) at any other existing organized plant (acquiring plant) of ASARCO Incorporated located in the states referenced above, provided the employee:

1. Is qualified to perform the job (ability and both mental and physical fitness), and
2. Successfully passes a medical examination, to the satisfaction of the Company. (The requirement to successfully pass a medical examination shall be limited to those employees who have been on layoff for a period of six months or more.) Such medical examination may be taken at the employee's home plant. An employee who fails the medical examination and who later passes such examination to the satisfaction of the Company shall be reinstated for consideration for transfer, provided he still retains recall rights and is otherwise eligible for transfer under this program.

The job vacancies for which employees shall be eligible under this provision shall be only those that are not filled from the particular plant in accordance with the seniority provisions of the Labor Agreement thereat, and in those classifications represented by the Union.

- B. Any such employee hired at an acquiring plant in a maintenance classification above Helper shall be subject to a probationary period of 30 working days. In the event such employee is disqualified, he shall be terminated at the acquiring plant and returned to the recall list at his home plant, provided that recall rights have not otherwise expired. In the event the employee is laid off from the acquiring plant within twelve months of his date of entry thereat, he shall be returned to the recall list of his home plant, provided that recall rights have not expired. If the employee is laid off from the acquiring plant more than twelve months after his date of entry thereat, he shall have recall rights only at that plant and shall forfeit any recall rights he may have had at his home plant. Further, if after the probationary period has expired, the employee is discharged for cause, his recall rights at the home plant shall be similarly forfeited. If an employee hired at an acquiring plant, upon being offered recall at his home plant, elects to return to his home plant according to his seniority, he shall be deemed a quit at the acquiring plant and shall be entitled to no further preferential hiring rights under this program.
- C. An employee shall be given such priority only if he files with the management of the shutdown or home plant a written request for such employment, in accordance with the procedure established by the Company, specifying the other plant or plants at which he would accept employment.
- D. Job vacancies covered under this program shall be offered to qualified applicants on the basis of company wide service. Seniority at the acquiring plant shall accrue beginning on the employee's date of entry at that plant. Company wide service acquired prior to the employee's date of entry at the acquiring plant shall not be recognized thereat for seniority purposes.
- E. An employee laid off who is offered and who accepts a job at another ASARCO property in accordance with the foregoing provisions will report for work there within one month from notification of job availability. The Company has the right to fill such vacancy until the transferee reports for work.

- F. If an employee has been laid off for 18 months\*, or if he rejects a job offered to him under these provisions, or if he does not respond within the time required by this Section to such offer directed to his last place of residence as shown on the written request referred to in paragraph (C) above, his name shall be removed from those eligible for priority hereunder.

*\* However, for purposes of this program, the 18-month period for employees laid off from Silver Bell and El Paso prior to July 1, 1989, shall commence on July 1, 1989.*

## Section 2.

Employees transferred hereunder shall be treated as follows for the purpose of administering the Benefits specified below. In all other respects the various Benefit Plans in effect at the acquiring plant shall remain unchanged, and in no event, shall there be any duplication of Continuous Service credit or Benefit Accrual or coverage as a result of the application of any provision of this Agreement.

- A. Waiting periods in effect at the acquiring plant for eligibility purposes only, shall be waived in respect to the following:

Death Benefit  
Accidental Death or Dismemberment Benefit  
Weekly Sickness and Accident Benefit  
Hospital-Medical-Surgical Benefit  
Dental Benefit  
Vision Care Benefits Plan

- B. Pension Plan and Permanent and Total Disability Benefit Plan:

### 1. Pension Plan

- a) Continuous Service: Continuous Service accrued at the shut-down or home plant shall be counted toward meeting the service requirements for vesting and eligibility under the provisions of the Plan in effect at the acquiring plant.

- b) **Accrual of Benefits:** Accrual of Pension Benefits subsequent to date of transfer shall be based on Continuous Service after such date and the terms and conditions, including but not limited to benefit levels, of the Plan in effect at the acquiring plant. Accrual of Pension Benefits for continuous service at the shut-down or home plant shall be determined for Plan participants in accordance with the benefit levels and other terms and conditions of the Plan in effect at the shut-down or home plant at the time of transfer.

## **2. Permanent and Total Disability Benefit Plan**

Continuous Service accrued at the shut-down or home plant shall be counted toward meeting the service requirement of the Permanent and Total Disability Plan at the acquiring plant. To determine the "unreduced benefit", that is, the amount produced by application of the appropriate Pension Plan formulae and limiting provisions, the provisions of paragraph 1(a) and (b) above shall apply.

## **C. Security and Severance Plan:**

Where such Plan is in effect at the acquiring plant:

1. The waiting period for eligibility shall be waived.
2. Service at the acquiring plant shall be based upon service on and after date of transfer and Benefits attributable to such service will accrue in accordance with the Benefit formula and subject to the terms and conditions of the Plan at the acquiring plant, including but not limited to those applicable to LAID-OFF PAYMENTS.
3. The accrued amount under the Plan in effect at the shut-down or home plant and attributable to service thereat, less deductible payments therefrom, shall be determined and carried over as a "credit" subject to being paid out in accordance with the provisions of the Plan at the acquiring plant.

**D. Vacation Policy:**

For the purpose of Vacation Policy administration:

1. The eligibility and qualification requirements and benefit levels of the acquiring plant apply, however, prior service at the shut-down or home plant shall be allowed for determining continuous service requirements.
2. Vacation Bonus entitlement, if such exists at the acquiring plant, shall be similarly applied.

It is understood and agreed that, where the bargaining unit of the acquiring plant to which an employee is transferred under this Agreement is represented by a labor organization not signatory to this Agreement, the special treatment described in paragraphs A through D above as applicable to benefits at such acquiring plant shall not be made effective unless and until the concurrence of the duly designated representative is obtained.

**Section 3.**

- A. The Company will maintain separate listings of applicants from each shutdown or home plant who have filed a written request with management under Section 1, (C). The Company will provide a list of these applicants for transfer to the individual designated by the local union(s), in writing, at the respective shutdown or home plants and to the respective Industrial Relations Manager and individual designated by the local union(s), in writing, at the plants that are in a hiring mode. The Company will further provide written notice to the individual designated by the local union(s), in writing, of the acquiring plant, or his designee, of the occurrence of any vacancy being filled under this program. The Company will further notify, by certified mail, employees who are not considered qualified.
- B. The right to file a grievance under this program shall be limited to the qualified employee with the greatest Company service denied the right to transfer to a particular vacancy, except, that disqualification of such employee for medical reasons shall not be a proper subject for the grievance and arbitration procedure. Said

grievance must be filed within 20 days of the date on which the Company notifies the individual designated by the local union(s) that the vacancy in question was filled. Said grievance must be filed at the acquiring plant in the last step of the grievance and arbitration procedure.

- C. The operation of this Transfer Rights Program will be subject to periodic review by a representative or representatives appointed by the Company and the Union, respectively, in equal numbers, who shall meet as necessary to review the operation of this Transfer Rights Program. The Company shall supply to these representatives pertinent information relating to the operation of this Transfer Rights Program. The function of these representatives is to review any problems that arise as the result of the administration of this Transfer Rights Program and to make recommendations to the parties for the solution of such problems.
- D. If any eligible laid-off employee or the Union requests information concerning job opportunities, expected hiring dates and pre-employment requirements at another plant covered by this Agreement, the plant will promptly communicate with such other plant and, upon receipt of reply, pass on this information to such laid-off employee and the Union, if not viewed as privileged or confidential by the Company. This will not guarantee employment because employment needs are not precisely predictable, nor will it create any obligation on the part of either plant, but is a service which should be beneficial to a laid-off employee genuinely seeking other employment within the Company.

#### Section 4.

The transfer rights under this program are subject to applicable law and other contractual or legal requirements that are, or become, binding upon the Company.

#### Section 5.

This Transfer Rights Program shall be effective July 1, 1989.

# 2001

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3		4	5	6	7	8	9	10
7	8	9	10	11	12	13	4	5	6	7	8	9	10	11	12	13	14	15	16	17
14	15	16	17	18	19	20	11	12	13	14	15	16	17	18	19	20	21	22	23	24
21	22	23	24	25	26	27	18	19	20	21	22	23	24	25	26	27	28	29	30	31
28	29	30	31				25	26	27	28										

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5					1	2	3
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4		2	3	4	5	6	7	8
8	9	10	11	12	13	14	5	6	7	8	9	10	11	9	10	11	12	13	14	15
15	16	17	18	19	20	21	12	13	14	15	16	17	18	16	17	18	19	20	21	22
22	23	24	25	26	27	28	19	20	21	22	23	24	25	23	24	25	26	27	28	29
29	30	31					26	27	28	29	30	31		30	1	2	3	4	5	6

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3							1	2
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29

# 2002

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5					1	2			3	4	5	6	7	8	9
6	7	8	9	10	11	12	3	4	5	6	7	8	9	10	11	12	13	14	15	16
13	14	15	16	17	18	19	10	11	12	13	14	15	16	17	18	19	20	21	22	23
20	21	22	23	24	25	26	17	18	19	20	21	22	23	24	25	26	27	28	29	30
27	28	29	30	31			24	25	26	27	28			31						

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6				1	2	3	4							1	2
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6				1	2	3			1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5					1	2								1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	6	7	8	9	10	11	12
13	14	15	16	17	18	19	10	11	12	13	14	15	16	13	14	15	16	17	18	19
20	21	22	23	24	25	26	17	18	19	20	21	22	23	20	21	22	23	24	25	26
27	28	29	30	31			24	25	26	27	28	29	30	27	28	29	30			



2003													
JANUARY							FEBRUARY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28	29
							MARCH						
							S	M	T	W	T	F	S
													1
							2	3	4	5	6	7	8
							9	10	11	12	13	14	15
							16	17	18	19	20	21	22
							23 <sub>30</sub>	24 <sub>31</sub>	25	26	27	28	29
APRIL							MAY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5			1	2	3		
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31
							JUNE						
							S	M	T	W	T	F	S
							1	2	3	4	5	6	7
							8	9	10	11	12	13	14
							15	16	17	18	19	20	21
							22	23	24	25	26	27	28
							29	30					
JULY							AUGUST						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5			1	2			
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
							SEPTEMBER						
							S	M	T	W	T	F	S
							1	2	3	4	5	6	
							7	8	9	10	11	12	13
							14	15	16	17	18	19	20
							21	22	23	24	25	26	27
							28	29	30				
OCTOBER							NOVEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5			1				
6	7	8	9	10	11	12	2	3	4	5	6	7	8
13	14	15	16	17	18	19	9	10	11	12	13	14	15
20	21	22	23	24	25	26	16	17	18	19	20	21	22
27	28	29	30	31			23 <sub>30</sub>	24	25	26	27	28	29
							DECEMBER						
							S	M	T	W	T	F	S
							1	2	3	4	5	6	
							7	8	9	10	11	12	13
							14	15	16	17	18	19	20
							21	22	23	24	25	26	27
							28	29	30	31			

2004

JANUARY							FEBRUARY							MARCH							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3		1	2	3	4	5	6	7		1	2	3	4	5	6
4	5	6	7	8	9	10	8	9	10	11	12	13	14		7	8	9	10	11	12	13
11	12	13	14	15	16	17	15	16	17	18	19	20	21		14	15	16	17	18	19	20
18	19	20	21	22	23	24	22	23	24	25	26	27	28		21	22	23	24	25	26	27
25	26	27	28	29	30	31	29								28	29	30	31			

APRIL							MAY							JUNE							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3							1				1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8		6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15		13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22		20	21	22	23	24	25	26
25	26	27	28	29	30		23 <sup>24</sup> <sub>30</sub> <sup>31</sup>	24	25	26	27	28	29		27	28	29	30			

JULY							AUGUST							SEPTEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3		1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14		5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21		12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28		19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31						26	27	28	29	30		

OCTOBER							NOVEMBER							DECEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3		1	2	3	4	5	6				1	2	3	4	
3	4	5	6	7	8	9	7	8	9	10	11	12	13		5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20		12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27		19	20	21	22	23	24	25
24 <sup>25</sup> <sub>31</sub>	25	26	27	28	29	30	28	29	30	31					26	27	28	29	30	31	

## NOTES

## **Amarillo Copper Refinery**

*"Success through Safety"*